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Algeria ... 1,450 Dz. ... 1,125 Rate Current ... 1,000 Rate
Angola ... 25.5 ... 1,000 Lira ... 145 Esc.
Argentina ... 25.5 ... 1,000 Lira ... 145 Esc.
Belarus ... 1,000 Rb. ... 1,000 Lira ... 25 P.
Bulgaria ... 100 Bf. ... 1,000 Lira ... 25 P.
Congo ... 100 FG ... 1,000 Lira ... 25 P.
Cuba ... 100 CUC ... 1,000 Lira ... 25 P.
Czechoslovakia ... 100 Kcs ... 1,000 Lira ... 25 P.
Denmark ... 12.00 Dkr ... 1,000 Lira ... 25 P.
Egypt ... 1,000 E.P. ... 1,000 Lira ... 25 P.
Finland ... 1,000 FM ... 1,000 Lira ... 25 P.
France ... 7.80 F ... 1,000 Lira ... 1,000 D.
Germany ... 3.70 DM ... 1,000 Lira ... 1,000 D.
Great Britain ... 1,000 Sterling ... 1,000 Lira ... 1,000 D.
Greece ... 100 Dr. ... 1,000 Lira ... 1,000 D.
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Italy ... 1,000 Lira ... 1,000 Lira ... 1,000 D.
Japan ... 100 Yen ... 1,000 Lira ... 1,000 D.
Kuwait ... 100 Dinar ... 1,000 Lira ... 1,000 D.
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Norway ... 1,000 Kr. ... 1,000 Lira ... 1,000 D.
Oman ... 1,000 Rial ... 1,000 Lira ... 1,000 D.
Pakistan ... 1,000 Rupee ... 1,000 Lira ... 1,000 D.
Peru ... 1,000 Sol ... 1,000 Lira ... 1,000 D.
Russia ... 1,000 Ruble ... 1,000 Lira ... 1,000 D.
Sudan ... 1,000 Dinar ... 1,000 Lira ... 1,000 D.
Switzerland ... 1,000 Fr. ... 1,000 Lira ... 1,000 D.
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U.S.A. ... 1,000 U.S. ... 1,000 Lira ... 1,000 D.
Yugoslavia ... 1,000 Dinar ... 1,000 Lira ... 1,000 D.

ESTABLISHED 1887

Exports Push Japan's Growth To 9.3% Level in 3d Quarter

Compiled by Our Staff From Dispatches

TOKYO — The Japanese economy grew at an annualized 9.3 percent rate in the third quarter as consumers and manufacturers went on spending sprees and exports boomed, the government said Tuesday.

The Economic Planning Agency said the brisk growth, which translates to an inflation-adjusted quarterly rate of 2.2 percent, occurred in July-September after the economy contracted an annualized 3.3 percent in the previous three-month period. That decline reflected sluggish external demand and sagging housing investment.

"The economy is very much on track for rapid growth," said Shashi

Eukyn, chief economist with the Bank of Tokyo.

But the strong performance was a mixed blessing for Japan's trading partners because nearly one-quarter of the growth came from increased exports. Other countries had hoped the rise in Japan's domestic demand would translate into increased imports and a reduction of the country's huge trade surplus.

A strong 1.5 percent increase in quarter-to-quarter exports, compared with a 0.7 percent decline in the last quarter, led to 0.4 percent increase in external demand, officials said.

Meanwhile, quarter-to-quarter imports declined by 1.1 percent from the April-June period, largely

due to the higher value of the yen against the dollar.

The unexpectedly high growth in exports is raising concern that the direction of the country's economy may be turning once again to a more export-dependent structure, said government officials.

Officials said the unexpectedly high third-quarter figures seemed to be in part a reaction to the negative growth of the previous quarter, but the nation's economy recovered to a stable level. The gross national product increased at an annualized rate of 11.3 percent in the first quarter of the year, an adjusted rate of 2.7 percent.

Takashi Saito, general managing director of the research division at

See JAPAN, Page 19

Protectionism: New Warning

IMF and World Bank Chiefs Call for Action on Barriers

By Reginald Dale

International Herald Tribune

MONTRÉAL — The heads of the International Monetary Fund and the World Bank warned Tuesday that mounting protectionism continued to threaten the world economy, and they called for urgent action to reduce international trade barriers.

In separate speeches at the 103-nation Montreal trade talks, being held under the aegis of the General Agreement on Tariffs and Trade, Michel Camdessus, the IMF managing director, and Barber B. Con-

nable, the president of the World Bank, said that the world trading system was coming under increasing strains that could endanger world growth and development.

The two issued their warnings as tense negotiations continued here to a bid to solve an acrimonious farm trade dispute between the United States and the European Community. The dispute threatened to stall efforts to reform the world trading system.

But it was not at all sure that the clash over agricultural subsidies would be resolved by the end of the

talks Thursday, when the meeting is meant to conclude with a renewed political commitment to world trade liberalization.

After a lengthy meeting with

Richard E. Lyng, the U.S. secretary of agriculture, Henri Nallet, the French minister of agriculture, and Tuesday that he doubted whether the dispute could be resolved without significant changes in the U.S. position, of which there had so far been no sign.

The United States was sticking to its demand for a commitment to the long-term abolition of all "trade-distorting" farm subsidies, which the European Community rejects as unrealistic.

Frank Andriessen, the EC vice president for agriculture, said that unless the conduct of the negotiations was changed there was no hope of a solution. "The Americans are demanding 100 percent, and that is not acceptable," he said.

Conference officials said the only possible outcome appeared to be a retreat by one or the other of a "fudged" compromise that paled over their differences without resolving the basic conflict in the two positions.

Japan, which has been under fire from the United States over its restrictions on rice and other farm imports, had been happily taking cover behind the U.S.-EC dispute, the officials said.

In contrast to the high profile

See GATT, Page 19

Bush Rounds Out Economics Team

By Ann Devroy
Washington Post Service

WASHINGTON — President-elect George Bush named five senior officials Tuesday to his administration, including his first female cabinet member, Carla Hills; a Washington lawyer who is to be special trade representative; and Thomas Pickering, a career diplomat who is to be the chief delegate to the United Nations.

As expected, Mr. Bush named his friend and campaign fund-raiser, Robert A. Mosbacher, a Texas oilman, to the post of commerce secretary.

He also appointed, as expected, Michael J. Boskin, as chairman of the Council of Economic Advisors.

Kiosk

Soviets Discuss New Spaceport

MOSCOW (UPI) — The Soviet Union and Australian businesses are negotiating to build a spaceport in Australia for which Moscow would supply Proton rockets in a huge commercial deal, a top Soviet official said Tuesday.

Alexander Domayev, head of the Glavcosmos, the Soviet space marketing agency, said that the port would be built in northern Australia just south of the equator. A Western source said it would be the largest Soviet space commercial venture ever undertaken.



Robert H. Michel, minority leader of the U.S. House of Representatives, calls for political reforms. Page 3.

General News

An Argentine colonel was seized as a revolt ends. Page 2.

Business / Finance

Morgan Grenfell shook the City of London by dismissing 450 employees. Page 15.

Special Report

A new generation of direct-to-home satellites promises a new era of television viewing in Europe. Page 7-12.

Dow Close	The Dollar in New York
Dm	1.7372
Pound	1.8805
Yen	121.925
FF	5.336

U.S. Says South Africa Will Sign Angola Pact

By David B. Ottaway
Washington Post Service

WASHINGTON — South Africa has informed the United States that it intends to sign a U.S.-brokered peace settlement for southern Africa although it unexpectedly walked out on what was expected to be an initial signing ceremony Sunday.

"It looks as though they have worked out what was bothering them," a U.S. official said Monday. "They will go ahead."

The South African walkout led to speculation that Pretoria had changed its mind about signing the agreement, which provides for the withdrawal of 52,000 Cuban troops stationed in Angola and independence elections in neighboring Namibia.

Negotiators from the United States, South Africa, Cuba and Angola had been expected to sign a protocol outlining the terms of the agreement during the weekend after completing final talks on verification procedures for the Cuban troop withdrawal.

But on Sunday, Foreign Minister R.F. Botha of South Africa suddenly withdrew from the talks without signing the protocol. U.S. journalists traveling with Mr. Botha reported Monday that his

team included:

• Mrs. Hills, 54, secretary of Housing and Urban Development in the Ford administration in 1975-77, practices law in the capital and serves on the boards of several multinational companies.

Mr. Bush said that because of the importance of trade issues, the post would be a cabinet position in his administration.

• Mr. Pickering, 57, ambassador to Israel since 1985 and, before that, ambassador to El Salvador, joined the Foreign Service in 1959 and has held a stream of sensitive foreign policy posts in the State Department and overseas. Mr. Bush said the UN post would not be cabinet-level, as it had been in the Reagan cabinet. Mr. Pickering, he said, would report to Secretary of State designate James A. Baker 3d. In the past, the UN post had been a political reward.

• Mr. Boskin, 42, a资深 University economist, is considered a mainstream conservative. He was the principal author of Mr. Bush's "flexible freeze" plan to reduce the budget deficit, and has described himself as flatly against a tax increase.

• Mr. Mosbacher, 61, a wealthy Texan who presides over Mosbacher Energy Co. of Houston, is a veteran Republican fund-raiser who, like Mr. Bush, is the son of a Wall Street financier who moved to Texas to make money in the oil business.

He will be the third Texan to join the cabinet, after Mr. Baker, and Lauro F. Cavazos, the current sec-

retary of the Treasury.

See BUSH, Page 2

tion appeared to have more to do with the dynamics of internal South African politics than with details of the verification plan.

U.S. officials still expect the protocol to be signed later this month, and possibly the overall agreement, barring last-minute objections from one of the three other parties.

The accord on the UN-supervised troop withdrawal will be signed between Angola and Cuba alone as part of an overall agreement. But South Africa also has to be satisfied about the arrangement in order to give its approval for proceeding with UN-supervised independence elections in Namibia.

Meanwhile, a top leader of the U.S.-backed rebel group fighting the Marxist Angolan government expressed reservations about one part of the verification procedure.

Jeremias K. Chitunda, vice president of the National Union for the Total Independence of Angola (UNITA), said the plan should include an initial assessment to establish the exact number of Cuban troops. While the United States estimated the number at 50,000 to 52,000, he said, UNITA thinks the figure is 57,000 to 60,000 and that there are also 15,000 to 20,000 Cubans who have been given Angolan citizenship.

See BUSH, Page 2

Under the new curb, the total value of goods that travelers can take from the country was cut by half, to 500 koruna, or about \$30.

Economists attributed the drastic rules to the economy's inability to adjust quickly to shifts in consumer demand, as well as to the East bloc's rigid currency exchange system, which creates disparities in purchasing power that tend to favor buyers from some countries like Poland when they purchase goods elsewhere in the bloc.

The Czechoslovak government was evidently galvanized to action by growing outflows of consumer goods, particularly to East Germany, Poland, and, increasingly, the Soviet Union.

"Czechoslovak cannot be a mediator to solve the consumer problems of other countries," Mr. Pavel said. He said that

stereo equipment. The regulations call for a 100 percent export fee on goods taken out with authorization.

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although it was difficult to give exact figures, government planners felt the decision of supplies sent in northern areas of the country, near the border with Poland, and in Prague.

Cross-border shopping has become more frequent as East European governments liberalize travel rules. The Czechoslovak measures, and the retaliatory steps, came at a time when Austrian retailers are reporting increased sales as large numbers of Hungarians avail themselves of liberalized travel rules to shop in neighboring Vienna.

In Czechoslovakia, travelers often encounter tourists returning to their homes with large quantities of food, clothing, or household items. Shopkeepers have reported increasing numbers of Soviet tourists who arrive with large amounts of Czechoslovak currency.

In Poland, farmers have reportedly been selling more food, including basic items like potatoes, in eastern areas bordering the Soviet Union. Economists say

the trade evidently reflects tighter food shortages in the Soviet funds. But Warsaw has taken no steps to curb such traffic.

Mr. Pavel said that East Germany, Poland and Hungary had retaliated against the new Czechoslovak restrictions by broadening curbs on what tourists from other countries can export. It was unclear whether Moscow would follow suit.

Czechoslovak state television, apparently in an effort to explain the need for the measures, recently broadcast scenes from border crossing points to Poland where trains and cars were held up for as much as five hours while customs officials searched departing tourists' baggage and processed requests for the export of personal items. In Warsaw last week, a Czechoslovak diplomat was called to the Foreign Ministry to hear a protest against the measure. It was unclear whether other governments had taken similar steps.

Thirty-one people have died in violence in Armenia and Azerbaijan in the past two weeks, and 61 have died since the conflict broke out in February, according to Soviet officials. Others familiar with the situation say they believe the death toll is at least double the official figures.

At a news conference, Mr. Perfiliev added that six people were wounded in the Azerbaijan violence. See ETHNIC, Page 2

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President Gorbachev during arrival ceremonies Tuesday at John F. Kennedy International Airport.

Gorbachev Vows New Dynamism In U.S. Relations

By Fred Farris

International Herald Tribune

NEW YORK — Mikhail S. Gorbachev arrived in New York on Tuesday for a three-day visit during which he intends to

Gorbachev Is Expected to Urge Easing of Trade Restrictions

By Jonathan Fuerbringer
New York Times Service

NEW YORK — The Soviet president, Mikhail S. Gorbachev, is expected this week to push for an easing of some United States restrictions that have inhibited trade between the two countries. And for the first time in more than a decade, the prospect seems possible, even to longtime U.S. opponents of such relaxation.

The restrictions deny special breaks on import duties and limit export credits and loan guarantees. Any suggestion of change is expected to spark sharp debate, because the issue has been tied up with human rights in the Soviet Union and, in particular, the question of the emigration of Soviet Jews.

There has been no significant effort to liberalize these laws since the mid-1970s, and the delicate politics involved could make it impossible again this year.

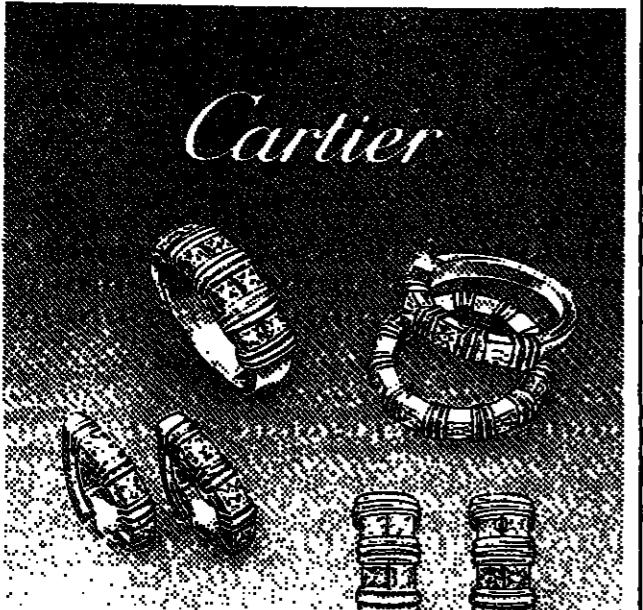
The Moscow-Riyadh Thaw

Reuters

NICOSIA — Diplomats said Tuesday that a meeting between King Fahd of Saudi Arabia and a Soviet first deputy foreign minister was a step toward establishing ties with Moscow after 50 years of leading what some saw as an Islamic crusade against Communism.

Diplomats said the meeting on Monday night between King Fahd and the Soviet official, Yuli M. Vorontsov, at the royal palace in Riyadh on Monday night was not unexpected.

Saudi Arabia, which diplomats said regards itself as the guardian of mainstream Muslim values, has been moving gingerly toward ties with Communist nations, partly spurred by what they described as disenchantment with Washington's pro-Israel policies.



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AND ONE HUNDRED AND TWENTY CARTIER
STORES IN MAJOR CITIES WORLDWIDE

SUMMIT: Gorbachev Visit

(Continued from page 1)
tainty in U.S. policy on issues like arms reduction and, perhaps, to be seeking greater trade with the United States.

At a news briefing on Monday, Georgi A. Arbatov, a member of the Central Committee of the Soviet Communist Party, gave a preview of ideas that Mr. Gorbachev is expected to put forward in his speech to the General Assembly.

"We started off with a whole concept of a world that we saw as a split one, full of contradictions that cannot be reconciled," said Mr. Arbatov, an expert on U.S. affairs who heads the U.S.-Canada Institute of the Soviet Academy of Sciences.

"Now we have come to the conclusion that with all its contradictions the world is one, unified and interdependent and extremely fragile and that this must be the basis of our policy," he said.

U.S. officials have said that they did not intend to make new proposals and would merely listen to what Mr. Gorbachev had to say.

New York, meanwhile, was bracing for what could be traffic chaos. The city police chief, Robert J. Johnston, said his biggest worry was that Mr. Gorbachev might decide to get out of his limousine "and do his thing," shaking hands with people in the crowds, as he did in Washington last year.

During the visit, demonstrations are expected by groups supporting Soviet Jews, Armenians, Estonians, Ukrainians, Afghan guerrillas, and anti-Castro Cubans.

Mr. Gorbachev and his wife, who will stay at the Soviet Mission to the UN, are to attend receptions for diplomats and prominent New Yorkers on Wednesday and Thursday evenings.

On Thursday morning, the Gorbachevs plan to open a Soviet trade exposition at the new Javits Center, and there is speculation among U.S. officials that this would provide the forum for new trade initiatives from the Kremlin leader.

Mr. Bush met Monday with Mr. Reagan to discuss the Gorbachev meeting, and afterward told reporters that although he would be attending as vice president, "I expect they'll be aware they're talking to the next president."

A State Department official said Secretary of State George P. Shultz and Mr. Shevardnadze would meet for an hour Wednesday.

EMIGRES: A Mini-Moscow

(Continued from page 1)
were arguing politics in New York and waiting for revolution.

Most debates among the Russians revolve around contemporary political issues: Is Mr. Gorbachev sincere? Can he succeed?

Alexis Scherbatow, a descendant of Rurik, the first ruling czar of Russia, and now head of the Russian Nobility Association in America, said: "Emigres started talking about the Soviet Union again; they became interested when Gorbachev came to power."

Another Russian said: "Some are apologists for Gorbachev. Most are obviously critical; most are sincerely skeptical."

Anatole Belkin, a 35-year-old artist, does pen-and-ink drawings of sometimes melancholy scenes of urban life in Moscow, hospital rooms, communal apartments, and the paints oils of old buildings. His works are displayed by the émigré gallery owner Edward Nakhamkin.

"I walk down the street and suddenly I hear, 'Tolya, how you doing?'" he said. "It is absolutely incredible that I am here."

Mr. Belkin said he is enchanted with New York. "It is undeclared internationalism," he said. "On Madison Avenue, I can see Picasso, Giacometti, and Calder. Modigliani in your touch with your hands."

Mr. Belkin said he hoped his country is nearing normal relations with the West, but pointed out that the situation is fragile. "Each day I wake up afraid. Gorbachev is risking everything."

Gagik and Hovik Dilanian, 37 and 38, agree. The two brothers, clothing designers, are the sons of an Armenian movie actor. Hovik arrived in 1978. His brother followed nine months ago.

Working out of Gagik's Columbia student housing (Gagik is learning English), the pair are making whimsical scarves bearing subway and street signs, and hat confetti that depict teapots, Pepsi Cola, toasters, skyscrapers, watermelons and hamburgers. These they sell to small boutiques.

In New York, Hovik said, the thirst for creative ideas is endless. "It takes a foreigner to see everyday things like a street sign" as an artistic inspiration, he said.

But continuing improvement in relations between Moscow and Washington on arms control, progress in settling regional conflicts like the Afghanistan situation, Mr. Gorbachev's pursuit of change in the Soviet Union and a sharp rise in Soviet Jewish emigration has clearly altered the atmosphere.

If there is a further increase in emigration next year and if the new Bush administration decides to meet Mr. Gorbachev halfway and then pushes the notion in Congress, some breakthrough seems possible.

"We recognize that changes are taking place in the Soviet Union," said Myrna Shulman, the national director of the National Conference on Soviet Jewry, "and we will certainly begin to talk about Soviet trade policy in that light."

"I think Congress, in a limited way, would be willing to put its toe in the water

and relax a little bit," said Representative Charles E. Schumer, Democrat of New York. He is a member of the House Banking Committee, which would consider some of the possible changes.

But at the same time that the rise in emigration may aid the case for relaxing trade restrictions, the large sum of commercial loans to the Soviet Union by allies of the United States has prompted questions about their impact on American national security. These new concerns, which have already produced a Senate resolution calling for a study of the issue, could limit significant action by Washington on export credits.

Although almost any relaxation of trade restrictions would be a major coup for Mr. Gorbachev's efforts to change the Soviet economic system, the actual economic impact would not be immediately significant.

American exports to the Soviet Union,

mostly agricultural products, amounted to \$1.48 billion in 1987 and \$1.9 billion through last August, while American imports from the Soviet Union amounted to \$470 million in 1987 and \$387 million through August.

But the signal of support from Washington would be important, spurring American business executives to work out joint ventures with the Soviets and further encourage U.S. allies, like West Germany, France and Japan, that are already offering major credit packages to the Soviet Union.

According to a cable to Washington from the U.S. Embassy in Moscow, a Soviet trade official has said that Mr. Gorbachev was likely to push for changes in four areas:

• Repeal of the limit on export credits for American companies selling to the Soviet Union.

• Soviet access to the United States stock and bond markets.

• A revision of the United States-Soviet tax treaty so that American companies involved in joint ventures with the Soviet Union can benefit from tax breaks that Moscow is expected to propose soon.

• An investment protection agreement to encourage more American companies to consider joint ventures with the Soviet Union.

American business executives have been pushing for the liberalization of the trade laws for some time, especially because their competitors in Europe and Asia get much more assistance and support from their governments. "We don't have a great deal of political encouragement from our government," said James R. Giffen, the head of the American Trade Consortium, which is working on a major, six-company joint venture proposal with the Soviet Union.

WORLD BRIEFS

U.S. Gains Access to Israeli Account

LAUSANNE, Switzerland (Reuters) — The Swiss Supreme Court granted U.S. investigators access Tuesday to the bank account of an Israeli arms dealer who acted as a middleman in the Iran-contra scandal.

It said some bank documents would not be handed over because of an agreement signed this year between Israel and the U.S. special prosecutor, Lawrence Walsh, who is investigating the affair.

The court rejected an appeal by Jacob Nimrodi, a former Israeli intelligence agent, against a Swiss government order that lifted banking secrecy laws to let the United States examine his account with Credit Suisse in Geneva. It said Mr. Nimrodi had admitted that about \$1 million in Israeli funds had been transferred from his account to that of Lieutenant Colonel Oliver North, a former member of the U.S. National Security Council fired for his involvement in the affair.

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New Faults Increase Risk of L.A. Quake

Rifts, One Under Dodger Stadium, Could Double Chance of Disaster

By Sandra Blakeslee
New York Times Service

LOS ANGELES — In a finding that may unsettle the nerves of millions of Southern Californians, geologists have discovered two major, previously unknown faults deep below some of the most densely developed parts of the Los Angeles metropolitan area.

The area affected includes the downtown section, the Wilshire Boulevard corridor, Beverly Hills, Santa Monica and a complex of oil refineries and power utilities near the Pacific Ocean.

The discovery, along with the gradual realization among geologists that as many as half of all the faults in the Los Angeles area may lie deep underground and have yet to be discovered, presumably doubles the risk that a devastating earthquake will eventually occur in the metropolitan area, said Don Anderson, director of the seismology laboratory at the California Institute of Technology. Scientists do not know enough about these faults to calculate the actual risk.

State disaster officials, who have been aware of the new findings for months, said that in their planning they have long anticipated the possibility of such an event. They said Los Angeles residents should not be unduly alarmed by the discovery of horribles by lawmakers.

Unlike the region's previously known faults, which produce features on the Earth's surface, the new faults are "in the basement" and have no visible features at ground level, according to Egil Hankinson, a research assistant professor of geophysics at the University of Southern California.

Mr. Hankinson described the faults as being 6 to 10 miles (10 to 16 kilometers) beneath the streets of Los Angeles.

This is the "first evidence that there are major buried faults beneath L.A.," Mr. Hankinson said in a recent interview. "Before, we had one big fault locally, the Newport-Inglewood fault, and now we have three."

The San Andreas fault, estimated to have a 60 percent probability of generating a catastrophic earthquake in Southern California within the next 30 years, lies 30 or more miles north and east of the Los Angeles metropolitan area. The San Andreas, which is much larger than the various faults in the immediate Los Angeles area, is believed capable of producing a much more powerful earthquake.

Scientists believe the newly discovered faults will cause serious earthquakes much less frequently than the San Andreas fault.

Richard Andrews, deputy director of the Office of Emergency Services who is responsible for overseeing earthquake planning in Southern California, said residents of the Los Angeles area should not worry that officials were unprepared to cope with potential dangers from the new faults.

The former official, Amiram Nir, was an anti-terrorism adviser to two Israeli prime ministers and acted as one of Lieutenant Colonel Oliver L. North's main go-betweens in the Reagan administration's arms-for-hostages negotiations with Iran in 1985 and 1986. Mr. Nir died Nov. 30 when the Cessna T-210 in which he was trav-

eling went down in the state of Michoacan. The pilot of the single-engine plane also died in the crash and two other passengers were seriously injured.

Investigations conducted by federal judicial and civil aviation authorities are continuing. But José Luis Arriaga, a federal judicial police commander in the town of Uruapan, said preliminary information indicated that Mr. Nir had gone to Michoacan to discuss the purchase of avocados from the local subsidiary of an international fruit and vegetable exporting concern.

"He was here for three days, talking about buying avocados," Mr. Arriaga, who headed the initial federal investigation, said. "He left with a price list and said he would be back in a week."

According to the indictment, the two men deliberately misled contributors and PTL board members in soliciting contributions

amounting to over \$158 million that were not used for the intended purposes.

CHARLOTTE, North Carolina — The Reverend Jim Bakker, the former leader of the PTL television ministry, and a former aide have been indicted on charges of defrauding as many as 150,000 contributors and diverting more than \$4 million for their personal use.

The 24-count indictment, returned Monday in U.S. district court, charges Mr. Bakker and the former aide, Richard Dorch, with making bogus appeals for money from 1984 to 1987.

According to the indictment, the two men deliberately misled contributors and PTL board members in soliciting contributions



Ron Edmonds/The Associated Press
Paul G. Kirk Jr. declaring he is leaving the Democratic party post.

Democrats Begin Battle for Leadership

By E.J. Dionne Jr.
New York Times Service

WASHINGTON — Paul G. Kirk Jr. has announced that he will not seek another term as chairman of the Democratic National Committee, setting off a battle over who will lead the party for the next four years.

Mr. Kirk, who was urged to stay by Democratic leaders from all wings of the party but that led by the Reverend Jesse L. Jackson, made his announcement at a Washington news conference where he attributed his decision to personal factors involving family and career.

"It is written in Scripture that there is a season and a time for every purpose under heaven," he said. "Those lyrics capture the spirit of this announcement."

The announcement set off a season of competition for Mr. Kirk's job. Democrats fear a racially charged conflict between moderate-to-conservative Democrats and Mr. Jackson's supporters, most of whom are backing Ronald H. Brown, a Washington lawyer who has long been active in the party.

Senator Lloyd M. Bentsen of Texas, the party's vice presidential candidate this fall, said Mr. Kirk's decision "makes it much more difficult to arrive at a choice without some bloodshed." He added: "Paul was my candidate."

At the moment the candidates for the job are Mr. Brown; Richard N. Weiner, the Michigan Democratic state chairman who could draw backing from many state chairmen; former Representative Jim Jones of Oklahoma, the top moderate-to-conservative contender; and former Representative Michael Barnes of Maryland, a liberal who was closely associated with Michael S. Dukakis.

Former Representative Jim Stanton of Ohio, who has some support from organized labor, has also expressed interest in running.

But now that Mr. Kirk has withdrawn, Democrats said even more names are likely to surface before the Democratic National Committee votes on a chairman Feb. 9 and 10.

One name being mentioned Monday was that of former Senator Birch Bayh of Indiana, a popular figure in the party.

Senator Lloyd M. Bentsen of

Texas, the party's vice presidential candidate this fall, said Mr. Kirk's decision "makes it much more difficult to arrive at a choice without some bloodshed." He added: "Paul was my candidate."

Many Democrats had urged Mr. Kirk to stay on to avoid the political twists and turns that choosing a successor would entail.

A friend and once a top aide of Senator Edward M. Kennedy of Massachusetts, Mr. Kirk was originally opposed by party conservatives who thought of him as too liberal. But he proved to be a pleasant surprise for moderate and conservative Democrats.

After his election in 1985 he put

an end to the special-interest caucuses in the national committee, and the mid-term miniconventions, which conservatives felt amounted to no more than liberal talkfests.

He persuaded organized labor not to endorse a presidential candidate before the convention and repeatedly attacked liberal "litterus" for candidates.

He was also credited with substantially improving the party's financial standing and its use of technology, which had long lagged behind those of the Republicans.

Mr. Brown and his supporters

are increasingly impatient with his being pigeonholed as Mr. Jackson's candidate.

Mr. Brown, who is black, served as a deputy chairman of the National Committee and as a top official of Senator Kennedy's 1980 campaign. When he finally joined

the Jackson campaign as convention manager last spring, party regulars, including Mr. Kirk, saw him as a force for party unity within Mr. Jackson's disparate coalition.

"I am concerned about the fact that some of the people who were urging me to go to Jesse Jackson and were so pleased about my doing it are now saying that I was associated with Jesse Jackson," Mr. Brown said Monday.

"The triple irony is that when I went to the Jackson campaign there were a lot of people there saying that I was too much of a party guy," he added.

Mr. Wiener's advantage is his status as president of the Association of Democratic State Chairs. One Democrat, reflecting the view of others, said that Mr. Wiener might emerge as "low-key unity candidate."

"The guy doesn't like me," he said. "Why? Because we wouldn't give him a tax abatement for condominiums in the Upper West Side."

Mr. Trump boasted in his book that he "beat the hell out of Ed Koch" by successfully suing the city over a \$40 million tax break denied for the Trump Tower.

Koch-Trump Feud Gets a Refueling

By Howard Kurtz
Washington Post Service

NEW YORK — Developer Donald J. Trump is considering spending \$2 million on television advertisements in which he would urge New Yorkers to oust Mayor Edward I. Koch, according to sources familiar with Mr. Trump's thinking.

Such a campaign would exacerbate the feud between the two and add a new element of volatility to the Democratic mayor's 1989 reelection drive.

Mr. Trump believes his credibility is at its peak and is determined to be a major force in the mayoral race, sources said, adding that he thinks he can be most effective by bankrolling a campaign in which he speaks directly to the camera. Mr. Trump declined to comment on his plans for the 1989 race.

Mr. Koch said that any such attack would have little impact on the Democratic primary next September. "It would probably add to my vote," the mayor said. "I don't think people like him."

There is little love lost between the two. Mr. Trump's terms for the mayoral have included " jerk," "loser" and "idiot." He has called him "incompetent," "a piece of garbage" and "the worst mayor in the history of the city." Mr. Koch has applied "greedy," "piggy" and "lightweight" to Mr. Trump, who he says is a man determined to "stroke his own ego."

While Mr. Koch's political fortunes have ebbed during the last year, his antagonist's renown has reached new heights. Among other things, he has a best-selling autobiography ("Trump: The Art of the Deal"), he bought the Eastern Airlines shuttle operations for \$365 million and he became an adviser to Mike Tyson, the heavyweight boxing champion.

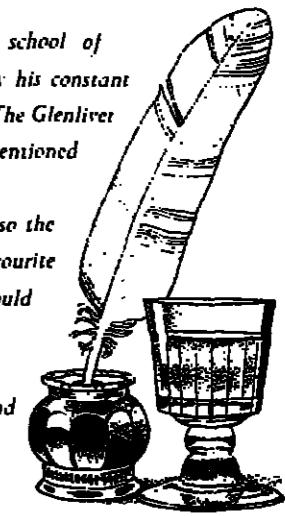
What put the Sir in Sir Walter Scott?

It has been commonly assumed that Sir Walter Scott was given his knighthood for services to literature.

However, there is a school of thought which is puzzled by his constant publicizing and praising of The Glenlivet single malt whisky. It is mentioned frequently in his writings.

The Glenlivet was also the Monarch of that time's favorite whisky. It was said "he would drink nothing else".

Is there a connection between these two facts and his knighthood? I believe we should be told.



Michel Assails House Record on Ethics

By Tom Kenworthy
Washington Post Service

WASHINGTON — Calling the House's record in policing ethical abuses a "national disgrace," Robert H. Michel, the House minority leader, has called for a broad-based reform movement, including changes in campaign financing and a ban on the acceptance of honoraria by lawmakers.

Mr. Michel's comments, which were widely viewed as directed at Jim Wright, Democrat of Texas and the House speaker, came as both parties elected their House leadership teams for the 101st Congress. The Democrats selected Representative William H. Gray 3d of Pennsylvania to be chairman of their party's caucus after a bitter three-way race, naming Mr. Gray the first black House member to win a leadership post.

Mr. Gray, who served for the past four years as chairman of the House Budget Committee, defeated Mary Rose Oakar of Ohio and Mike Synar of Oklahoma on the first ballot in the race for the fourth-ranking leadership post.

Three other Democratic leaders were re-elected without opposition. They were Mr. Wright; Thomas S. Foley of Washington, the majority leader, and Tony Coelho of California, the majority whip. Steny H. Hoyer of Maryland became the first lawmaker from his state to win an elected leadership post when he was chosen vice chairman of the caucus.

They said Monday that he was not in Mexico as a representative of the Israeli government.

The former official, Amiram Nir,

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OPINION

INTERNATIONAL HERALD TRIBUNE

Israel Off Course

A month ago — or was it a year? — the Israelis held elections and decided, well, nothing. The voters gave the two big parties almost exactly the same number of Knesset seats and scattered the other seats, the ones that either Likud or Labor would need to form its own government, among the small religious and far-right parties. Likud's Yitzhak Shamir, the prime minister, got the president's first bid to form a government, but could not do it either with the small parties or with Labor. On Monday he was given another three weeks.

Government-making in parliamentary democracies is often raw, but Israel's performance in the last month has been extraordinary. Immense cynicism has been shown by figures from whom statesmanship is expected on the international level. Not many foreigners, we surmise, realized the pettiness, virulence and feudal character of the considerable part of the Israeli spectrum to right. Likud's right. Nor was it understood how ready were the major parties — both of them — to take partners of convenience from that part of the spectrum.

In extending Prime Minister Shamir's time to form a government, President Chaim Herzog voiced "shame" over the proceedings. He urged Mr. Shamir to make

a government with Labor and at once to institute the reforms necessary to keep the minorities from whipping the majority. American Jews have special reason to endorse President Herzog's words; to head off the prospect that the far right will reward with a law that degrades the religious integrity of the more than 90 percent of their number who are not Orthodox Jews.

But there is also a broad, entirely secular American interest at play. As Abba Eban, the Israeli statesman, has pointed out, Mr. Shamir is the only prime minister in the world who has rejected United Nations resolution 242. This is the essential and otherwise universally accepted land-for-peace negotiating formula that even the PLO has now formally accepted, although the quality of its commitment remains to be demonstrated. Whatever confirms Likud's annexationist bent — and an alliance with the small parties certainly does — puts the United States and Israel on a collision course on the most important question lying between them, the peace question. Whatever dilutes Israeli annexationism and draws Israel toward the peace table is in the American interest, and there is no reason to be bashful about stating it.

— THE WASHINGTON POST.

Research Roulette

The United States pioneered television, VCRs and computer chips, but in 1986 it imported more high-tech products than it sold abroad. High-definition television will be the next major advance in consumer electronics, but Japanese and European companies are poised to divide the vast American market between them.

To the peril of its defense and its standard of living, America's grasp of technology is slipping dangerously. Vice President George Bush expressed interest in science policy during the campaign. He has few more pertinent tasks than to stem the erosion of America's technological pre-eminence.

The principal damage has been done by Ronald Reagan's disastrous experiment with the economy. The high dollar made American products harder to sell abroad, and the high cost of capital made long-term investments, like research and development, less profitable. But economic conditions are not the whole story. When those conditions are remedied, America cannot resume making VCRs or computer memory chips if there are no companies left to sell them, or if its consumers believe that Japanese products are of higher quality.

The United States still leads in research spending. In 1988, industry and government each invested \$6 billion in R&D. But two-thirds of the federal share went for military research. Pentagon procurement once helped commercialize jet aircraft, computers and computer chips, but the recherche technologies of today's weapons seem to have less commercial relevance.

The \$19 billion that goes for civilian research is too little and too carelessly spent. Civilian R&D spending has been stuck at about 1.5 percent of GNP for two decades. Meanwhile, rivals have steadily increased theirs — Japan to 2.8 percent, West Germany to 2.6 percent.

Each federal agency follows its own agenda. NASA is sinking \$3.5 billion this year into projects like its chemically space station. This antique technology will keep the NASA circus flying but does little for industry. The Department of Energy plans a \$5 billion atom smasher, even though it promises few commercial spin-offs and will rob funds from physics research of greater relevance.

Why does America's research policy remain so incoherent, while Japan targets one high-tech industry after another and wrests

to support one project over another?

There are also other steps to consider, like better tax incentives for R&D. As the Council on Competitiveness recently noted, some of the 700 federal laboratories are not pulling their weight and need to be shut down. Many government activities affect technology, but no one is shaping them to ensure that the effect is positive.

Mr. Bush promised in the campaign to appoint a science adviser he would listen to. But he needs more than a narrow advocate of more university research. There is a larger mission here: to escape past doctrine, coordinate precious scientific resources and shrewdly test ways for government to foster industrial innovation — without usurping the free market's better judgment.

— THE NEW YORK TIMES.

Other Comment

A Specter Haunts the Empire

A specter is haunting the Soviet empire: the specter of nationalism. Although the immediate causes of the unrest in the Baltic, the Caucasus, in Kazakhstan and elsewhere vary from place to place, they all derive ultimately from the suppression of nationalistic aspirations. Mikhail Gorbachev has yet to formulate a clear policy for dealing with the nationality problem even within the Soviet Union, let alone in Eastern Europe, where by all appearances Moscow can sooner or later expect the same kind of turmoil. Unfortunately, experience has shown that upheavals in the eastern part of our continent benefit no one. Both for East-West relations and for the East European peoples concerned, they have brought only painful setbacks.

— Neue Zürcher Zeitung (Zurich).

Argentines Can Take Heart

Apparently some Argentine officers simply refuse to accept the lesson that the last junta's experience should have taught them: that even the most powerful nation cannot govern effectively for long without genuine public support. And for now the people of Argentina remain on the side of civilians like Raúl Alfonsín. If Argentina can hold the election scheduled for next year, Mr. Alfonsín will be the first civilian president in 50 years to hand power to another civilian.

Of course, Argentines can hardly be faulted if they are growing weary over the constant tension between their weak civilian government and the military. But if they

— The Baltimore Sun.

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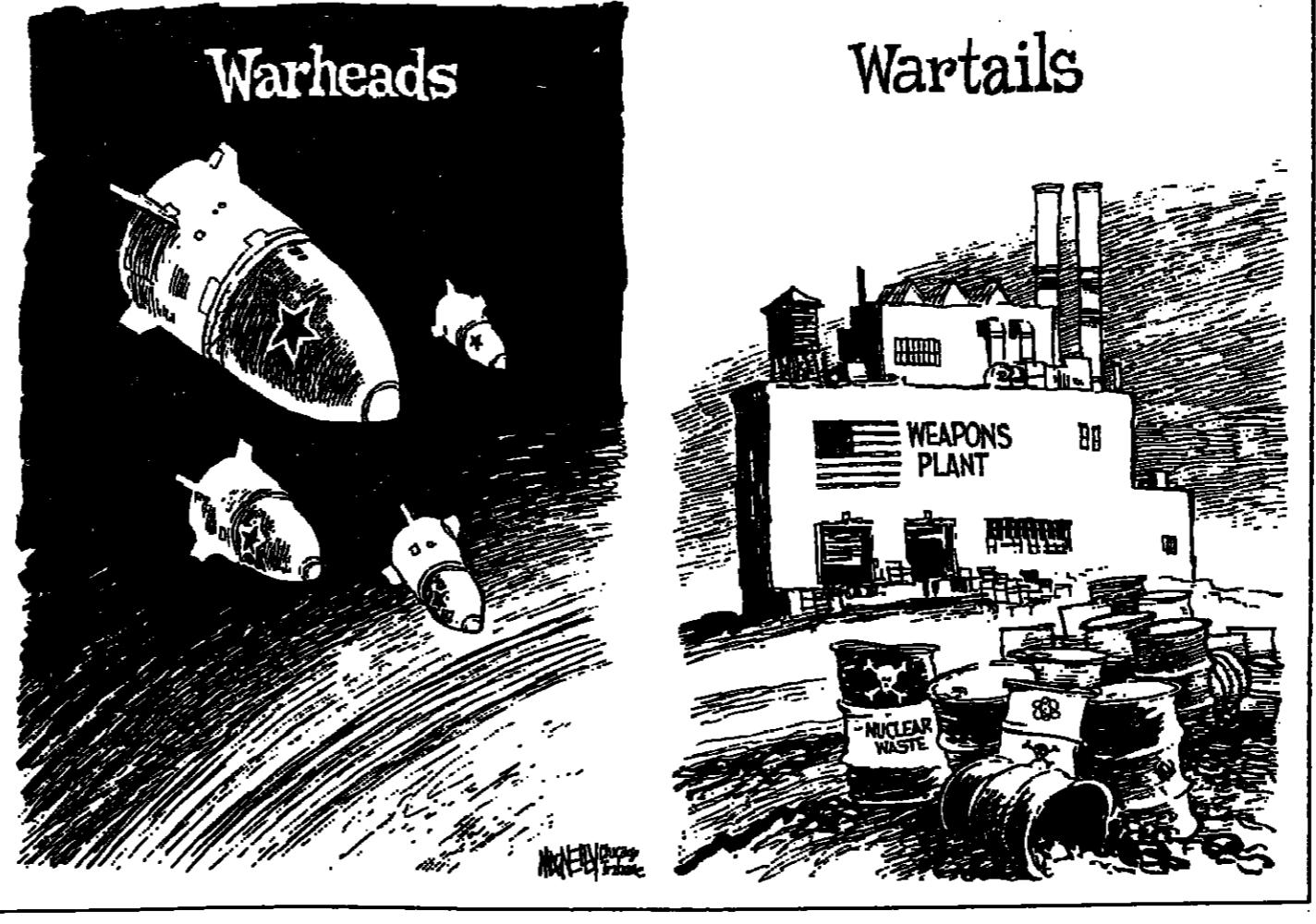
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Mediterranean: The Crunch Has Barely Started

By Giles Merritt

CAIRO — The pyramids at Giza are crumbling, and chunks of stone have been falling from the Sphinx. Before the end of this century, pollution may have destroyed half of Egypt's fabulous antiquities. Car exhaust fumes are eating away at statues and tombs that have stood since the days of the pharaohs.

These ills are symptomatic of a disease ravaging the whole of the Mediterranean. The damage being done by tourism and economic development is threatening to outweigh the benefits. Last year one million tourists visited Egypt; by 1990 the number probably will quadruple. The poverty-stricken Egyptian economy badly needs their business, yet the tourism boom is helping to destroy the attractions that bring tourists.

On the Greek island of Rhodes last month, a meeting of tourism experts convened by the Organization for Economic Cooperation and Development heard how Mediterranean holiday resorts are fouling their own nests. They also assessed the millions of new jobs that tourism will bring, and agreed that the problem is urgent.

The Mediterranean is already the world's biggest tourist area, and the rush has barely started. Experts believe that from 100 million this year, the number of tourists in the area will reach 400 million a year by 2025, perhaps as many as 750 million.

That is alarming, but other aspects to the Mediterranean's outlook make the blood run cold. By 2025 the population of the countries around the Mediterranean will have exploded from the present 360 million to 550 million. Nine of every 10 vehicles in the region are now in France, Italy or Spain. The extra 100 million will go mainly to the southern and eastern countries, causing grave environmental damage.

The strains will be appalling. The scale of pollution in the cities of the southern Mediterranean are expected to double or even triple by 2025.

The ravages of pollution are already disastrous. The "greenhouse effect" is being blamed for Cairo's freak temperatures this summer of up to 48 degrees centigrade (118 degrees Fahrenheit), and scientists are warning of a 12-centimeter (4.5-inch) rise in the Mediterranean's level by 2025 that could flood not only the Nile delta but the delta of the Rhone in France, the Po in Italy and the Ebro in Spain.

And these figures may be optimistic: Soil erosion, deforestation and water shortages will be reducing the area of tillable land.

The Mediterranean's urban population, meanwhile, will have doubled from 200 million to 400 million.

on the northern shores will have wrought irreversible damage.

What is being done to avert this? A brainstorming conference organized by the Aspen Institute Italia has met in Cairo to review the situation.

Deputy Prime Minister Gianni de Michelis of Italy is seeking a concerted regional approach on environmental and developmental issues by the 17 countries in the Mediterranean Action Plan. These governments have been digesting the details of the "Blue Plan," a study prepared under the auspices of the United Nations Environment Program from which most of the projections in this article are taken.

The scale of the problem is so daunting that nobody knows quite where to start. But experts note that an investment of \$6 billion in anti-pollution technology would have a major effect, while a 1 percent surcharge on the sales of polluting companies would finance a dramatic cleanup.

Italy is anxious that the Mediterranean Action Plan should launch a major drive on these problems when its ministers meet again in October. If the group does so, it might provide a blueprint for the many Third World countries whose outlook is bleaker still.

International Herald Tribune.

If Treaties Are a Bad Joke, So Is Arms Control

By Amoretta M. Hoeber and Douglas J. Feith

WASHINGTON — In calling the use of poison gas in the Iran-Iraq war an "ominous terror" that has jeopardized the "moral and legal strictures that have held these weapons in check since World War I," President Reagan understated the point. The Iraqi gas attacks not only violated the 1925 Geneva protocol banning chemical warfare, they mocked the very idea of controlling armaments and war through treaties. More broadly, they challenged the concept of international law itself, the first principle of which is that treaties must be obeyed.

Policymakers argue that the Iraqi gas attacks have made it imperative to finish negotiations at the Geneva conference on disarmament on a treaty calling for a comprehensive ban against chemical weapons — that is, banning their possession as well as their use. But why should we produce new treaties if we can't solve the problem of upholding the integrity of existing treaties?

The gruesome evidence of death and disfigurement wrought by the Iraqi attacks has been confirmed by investigators of unquestioned credibility. But the international community has taken no action to penalize Iraq for violating its treaty obligations. Neither the United Nations, the Geneva disarmament conference nor any other multilateral forum in which new arms control treaties are championed has figured out a way to impose costs on states that openly violate such treaties. Indeed, no forum is even working on the problem.

Some have argued that a comprehensive ban would be a salutary symbol of the civilized world's rejection of chemical weapons. But the value of this symbolism would be far outweighed by two factors: first, the increased risk that U.S. forces would be attacked with poison gas if an ineffective ban deprived the United States of a chemical retaliatory capability; second, the destabilizing of international law if such a ban were not fully verifiable and not diligently enforced.

The Bush administration could do good by focusing the world's arms control forums on the

problem of treaty violators. If effective political penalties cannot be organized, thought could be given to financial ones — for example, substantial indemnities enforceable by a victimized party in the law courts of third countries — although it is possible that this would not be fruitful.

There is a price to be paid when bad treaties are promulgated and when any treaty is violated. It cheapens the currency. It promotes disrespect for all treaties, whether dealing with arms control, human rights or protection of prisoners of war. And the price that is paid is not distributed evenly. Democratic countries, whose internal checks on governmental action enforce compliance with international obligations, suffer disproportionately.

International law is widely disparaged as mere grist for the mills of diplomats and academics. Yet arms control treaties are roundly favored in principle, indeed venerated, as a practical way to enhance international security. But arms control treaties are international law — more, no less.

They are as potent or as ineffective as international law in general. If international law is a bad joke, if treaties can be violated profitably and with impunity, then arms control, too, becomes a joke, with the laugh being on the state that complies with their treaty obligations.

Amoretta M. Hoeber served as deputy under-secretary of the Army and Douglas J. Feith served as deputy assistant secretary of defense, both in the Reagan administration. They contributed this comment to The New York Times.

Bush and the Press: A Good Start, With Far to Go

By James Reston

WASHINGTON — Every new American president wants to improve relations with the press, and every four years they seem to get worse. Now George Bush is trying to make peace with everybody.

In his previous job (the CIA was a proper exception), he was available to the reporters, and he seemed to have a philosophy for handling the dilemma between secrecy and publicity. Unlike John Kennedy, he did not have social favorites in the press, and unlike Mr. Reagan, he treated newspaper reporters and television reporters alike. He seldom indulged in anonymous backroom or off-the-record conferences.

The administration spends more than a billion dollars a year on "public relations," a polite name for manipulating relations with the public.

The White House press conference was founded by Teddy Roosevelt on the principle of accountability. Since the president was protected by executive privilege and could not be compelled, like prime ministers in a parliamentary system, to answer questions

in Congress, the press was invited to perform this function for the public.

Presidents who had no adequate answers or were not adept at answering found other, safer ways of reaching the public. They had researchers, speech writers, even joke writers, and had TelePrompTec that enabled them to make carefully constructed "extemporaneous" speeches. In the process, reporters were increasingly treated like porters who were expected to carry whatever baggage officials wanted to drop on their transmission belts.

A few simple reforms would help. We could do without the helicopter confrontations, which questions are shouted under the roar of the propellers. Regular brief presidential conferences with precise relevant questions and honest answers are about all that is required.

The official view is that we are a noisy bunch, nosing into things that are none of our business, and sometimes this is true. But it is also the public's business, and while the people usually side with the government in these disputes, they are not served by the mutual hostility that has developed between officials who make the news and reporters who write it.

Mr. Bush knows this better than anyone. He has been trying to heal the wounds of the campaign, visiting the leaders of Congress, talking to Michael Dukakis, inviting educators and environmentalists to give him their views, reappraising the membership of the cabinet, avoiding provocative ideological disputes and appointing mod-

erate and experienced professionals.

He seems to be trying to create a favorable atmosphere for discussion of the budget and other issues so that they can be debated on the basis of the facts, with a minimum of rancor. He calls this "confidence building," and has made a good start. But a little more confidence on both sides of the relationship wouldn't hurt.

The New York Times.

100, 75 AND 50 YEARS AGO

1888: European News

Italy: Word has been sent round to all the great galleries and museums of Europe to the effect that Raphael's celebrated picture of the "Entombment" has been stolen from San Pietro, in Perugia.

Spain: Senor Castaño is expected to return.

France: The Quai d'Orsay yesterday afternoon [Dec. 6] by this document, the German government solemnly recognizes the frontiers now drawn between the two countries as "definitive," thereby renouncing all claims to Alsace and Lorraine, which have been a constant bone of contention between France and Germany ever since Charlemagne's Empire was divided up among his heirs by the Treaty of Verdun in 843.

The Washington Post.

Consensus, Sure, but Also Debate

By Stephen S. Rosenfeld

WASHINGTON — The signs are definitely better than average that George Bush will have some of that elusive bipartisan tonic needed for him in the making of foreign and defense policy. But just how much, and the country stand to profit from it, is a tough question.

Mr. Bush and the people he has chosen know Capitol Hill and are known on the Hill and do not regard it as enemy territory. The president-elect, with his pragmatic streak, is not likely to polarize things, like his two more passionate predecessors did.

More important, Ronald Reagan has created, wittingly and unwittingly, a broad basis of consensus. The missing part arises from the spectrum across the political spectrum for his policies in dealing with the Soviet Union on arms control, regional disputes and human rights. The missing part arises from the widely supported backlash against his high defense budgets. His failure to less than his successes have had a silencing effect.

The presidential campaign, however, tended to loosen the influence of the flanks. On the left, the Jeane Jackson forces, although far from dead, seem outweighed by the movement led by Democrats sobered by the polls showing how national security issues played for Mr. Bush and against Michael Dukakis. On the right, the hard-core conservatives and the neo-cons are less threatening what they perceive as Mr. Reagan's unfortunate drift to detente — a position that tends to marginalize them in the broader debate.

The general fatigue and Mr. Bush's disengagement seem to be removing Nicaragua, by far, the most resonant divisive issue of the Reagan years, from the center of the board. The general fatigue and Mr. Bush's disengagement seem to be removing Nicaragua, by far, the most resonant

Labor Party Is to Reconsider Coalition Talks With Likud

By Joel Brinkley

New York Times Service

JERUSALEM — Just 24 hours after saying he was resigned to caving in to the opposition, the Labor Party leader, Shimon Peres, said Tuesday that he had called a meeting of the party's Central Committee

to vote on reopening coalition negotiations with Likud.

Mr. Peres announced his decision Tuesday morning after breakfast with President Chaim Herzog, who is urging the two parties to form a coalition government because, he said in a speech Monday night, he feels "helplessness, hu-

miliation and shame as well as grave concern," watching the "disgraceful" coalition negotiations.

Mr. Peres said Mr. Herzog "explained to me what appears to him to be a very serious situation and a very difficult one for the country so that we have to draft all our forces in order to establish a wide government."

Mr. Peres and other party leaders said the 4,300-member committee would probably approve the request, even though the party bureau, a smaller body of senior officials, narrowly voted to end coalition negotiations just a week ago.

Prime Minister Yitzhak Shamir would agree to talk with Labor, if Labor's Central Committee approved, a senior aide to Mr. Shamir said.

On Monday, when asked about renewed coalition talks with Labor, Mr. Shamir said: "I have already invited them, and they have refused to join my government. I will not do more."

But on Tuesday, Mr. Shamir said nothing about the Labor meeting that is to take place on Thursday. A senior aide in Mr. Shamir's office said, "he feels so badly burned by Labor that I think he wants to wait and see if this passes through the Central Committee."

In the meantime, he added, Mr. Shamir "will continue attempts to solidify a narrow coalition government of the religious and extreme right-wing parties."

From the Likud point of view, Labor took advantage of the last coalition invitation. Mr. Shamir offered and used the time Mr. Shamir gave to consider his offer to woo away Agudat Israel, one of Likud's coalition partners.

That infuriated Mr. Shamir, and on Sunday they said he was unlikely to consider reopening negotiations with Labor.

In recent days, various religious and rightist parties have demanded control of the same ministries and threatened to back out of talks with Likud if their demands were not met.

The government, which circumvented a Greek Supreme Court ruling, said it was releasing the Palestinian because his reported activity was not criminal but was politically motivated, as part of the attempt to create a Palestinian homeland.

The panel also accused Israel of impeding the work of Palestinian human rights advocates in the occupied West Bank and Gaza Strip by detaining without charge or trial civil rights workers and defense lawyers. It said such detainees should be charged or released and urged an investigation into allegations that they had been intimidated and physically abused.

Israel has denied the allegations, contending that the prison camp meets Israeli legal standards and that the rights advocates have been detained because of their alleged involvement in outlawed Palestinian national movements.

In the report, issued in Israel and in New York, the Lawyers Committee for Human Rights cited beatings of prisoners, humiliating forms of individual and collective punishment, forced labor, poor sanitation and poor medical treatment among. The report cited 15 categories in which the Ketzot detention camp appeared to violate the Geneva Convention.

The report also alleged that the detention of Palestinians from the West Bank and Gaza at the camp, which is located in Israel proper,

violated Geneva Convention articles barring military occupiers from removing residents of occupied territories.

The army began moving Palestinians into Ketzot in March to cope with the overflow of detainees from security roundups designed to end the yearlong Arab uprising.

Defense Minister Yitzhak Rabin and senior military officials have maintained that conditions at the camp — large, open tents enclosed by multiple barbed-wire security fences — meet minimum legal standards.

There are more than 2,000 Palestinians at Ketzot, most of them administrative detainees who can be held for six-month renewable periods without charge or trial.

U.S. Lifts Ban on Sale Of Weapon to Israel

Reuters

JERUSALEM — The United States has lifted a six-year-old ban on the sale of cluster bombs to Israel after the Israeli government agreed not to use the weapons against civilians, a U.S. Embassy official said on Tuesday.

The ban was imposed in 1982 after Israel was accused of using cluster bombs against civilians in Lebanon, violating assurances to the United States that the weapons would be used only against military targets.

In recent days, various religious and rightist parties have demanded control of the same ministries and threatened to back out of talks with Likud if their demands were not met.

Tens of thousands of Israelis have been calling for a new national unity government that excludes the religious parties.

It also said the decision was justified by the Palestinians' recent declaration of an independent state and their renunciation of terrorism.

"The actions for which he was being accused fall within the domain of the struggle to regain the independence of his homeland and consequently suggest action for freedom," Justice Minister Vassilis Rotis said to explain his decision.

This referred to a recent law that prevents extradition "if the Greek government believes that the said terrorist is fighting for freedom."

The Palestinian left Libya aboard an Olympic Airways plane.

Mr. Zomar was arrested at the Greek-Yugoslav border in November 1982 and was sentenced to 20

months' imprisonment on charges of illegal possession of arms and explosives.

Italian authorities filed their extradition request in 1983, which was accepted by two lower courts and by the supreme court.

In March 1985, a few days before completing his sentence with extradition to follow, Greek authorities brought new charges against Mr. Zomar of being an accomplice in a bomb attack against the Athens offices of the Royal Jordanian Airline. He was acquitted, but was then given a 20-month sentence for possessing a knife in prison.

Bonn Reports Release Of Radioactive Steam

New York Times Service

BONN — Government officials have reported an incident at an atomic power plant near Frankfurt last year in which radioactive steam was released into the atmosphere.

Officials said that the amount of radioactivity was below danger levels and that there was no risk of a meltdown of the reactor's core.

The report, and particularly the fact that it had not been made public sooner, prompted a political dispute in Bonn. Members of the Free Democratic Party, the junior partners in the government coalition, and the opposition Social Democrats and Greens Party called for an investigation.

At a news conference Monday, Klaus Topfer, the minister responsible for the environment and for the safety of nuclear reactors, said the proper supervisory agencies had been informed. He said it was not unusual that such an episode had not been publicly reported.

He said the incident, which took place in December of last year at Biblis-A, a 1,200-megawatt reactor, had been upgraded to a danger rating of urgent in September. It initially received a rating of normal from plant operators.

There are on average 12 incidents a year listed as urgent in West Germany, and 400 so-called normal incidents, the minister said. The highest danger rating, immediate, has never been given.

U.S. Will Attend Debate on PLO

Reuters

WASHINGTON — The United States will attend a UN General Assembly debate on the Palestinian question in Geneva next week despite its having recently rejected a request for a visa for the PLO's chairman, Yasser Arafat, the State Department said Tuesday.

The denial of a visa that would have enabled Mr. Arafat to address the assembly at United Nations headquarters in New York avoided the change of location for the session, now set for Switzerland.

"Despite all the turmoil on the question of the visa, that is nothing to do with our regard for the Palestinian issue," Charles Redman, a State Department spokesman, said at a news briefing.

"We believe the debate in Geneva will be an important one," he said, "and we'll be there."

Computers

The United States is ahead to develop supercomputers to support the capacity of the supporting work, essential for using the machines most effectively behind.

A consortium of computerized by Compaq says it will develop a personal computer based on a hardware standard — a design to IBM's attempt to market with its Micro

Communications

Not so very long ago, mobile phones were an oddity, a rarity. Now new systems based on today's technology are opening up a variety of services, and a pan-European network under development over the most advanced, most popular telecommunications in the world.

Development

The first privately financed satellite for Asia will be launched in 1990, narrowing the communications gap between the area's developed nations.

Carbon-carbon composite, a material that gets stronger as it gets hotter and retains its shape, already sets the nose of the U.S. space shuttle's future applications may be replacing human bones, saving the environment from waste.

Debtors — industrial parts and sophisticated telecommunications equipment — may become as vital to the region's economic success as cities and airports have been.

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The Associated Press

Arafat in Sweden to Meet American Jewish Delegation

Yasser Arafat being greeted by Foreign Minister Sten Andersson on the Palestinian leader's arrival in Stockholm on Tuesday to confer with a group of American Jews. Israel refuses to talk to the Palestine Liberation Organization, which Mr. Arafat leads, and has urged its U.S. supporters not to do so.

Greece Releases a Suspected Abu Nidal Terrorist

By Paul Anastasi

New York Times Service

ATHENS — The Greek government reached Tuesday on an agreement with Italy to extradite a Palestinian wanted in connection with the 1982 attack on a synagogue in Rome and instead deported him to a country of his own choosing, reportedly Libya.

The government, which circumvented a Greek Supreme Court ruling, said it was releasing the Palestinian because his reported activity was not criminal but was politically motivated, as part of the attempt to create a Palestinian homeland.

It also said the decision was justified by the Palestinians' recent declaration of an independent state and their renunciation of terrorism.

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TechnologyComputers

When Does the Bet Bankrupt a Player?

By Michael Schrage

CAMBRIDGE, Massachusetts — If America's manufacturers spent billions of dollars building plants that yielded more waste products than goods, they would be called idiotic. When America's service industries seemingly make that sort of self-destructive investment, it's called white-collar automation.

"We've made enormous bets here in this country," Stephen Roach, a New York-based Morgan Stanley economist who has done what may be the best economic analysis of high technology investment and white collar productivity in America. "Forty percent of the capital budget... goes to information tech-

COMMENTARY

nology. We've bet that the new information age economy of the late 20th century is the answer to economic productivity into the 21st century."

But is it a good bet or a foolish gamble? Europe, Japan and the emerging industrial powers of the Pacific Rim are wondering if America's bid to buy global competitiveness in services through new technology is a model to be emulated.

"Even with 1992 coming up, Europe is just not prepared to make the bets on the information economy that we have made," says Mr. Roach. "They're just starting to talk about it."

Peter Keen, a director of the International Center for Information Technology based in Washington, believes that investments will be made in Europe to make up for past underinvestment — but that the financing will come from Japanese capital. "1992," he says, "will be about European-Japanese alliances."

Corporate America has lavished more high technology on its white-collar workforce than any other country on earth. But the return on America's investment has been shockingly low.

"The level of white-collar productivity in 1987," Mr. Roach says, "was actually no higher than it was in the mid-1960s."

How could this be? American hardware has consistently been championed as its competitive edge. The findings intuitive may feel wrong: Lots of companies have successfully used information technology to boost market share and profits.

Federal Express, one of America's leading service companies, has done a superb job of applying computers and telecommunications to track the daily flow of hundreds of thousands of packages. The back office operations of Citicorp and Shearson are industry models of cost-effective high-volume transaction processing. TWA and American Airlines have successfully used their computerized reservations systems to capture market share while pricing for profit.

While celebrated, these successes are atypical. Moreover, because the productivity numbers are an average, they obscure the industry-wide impact of high tech investments. The reality is worse than the numbers seem. The fact is, there are as many high tech investment failures as there are successes.

Take the banking industry, which over the past decade has been quickly evolving from national scope to global enterprise. Though historically one of the most experienced users of information systems, banks have had a horrible time wringing pro-

There are as many high-tech investment failures as successes.

ductivity improvements from what is now an annual investment in excess of \$30 billion. "By traditional measures, systems investments have not improved bank productivity," concludes a recent Salomon Brothers/McKinsey & Co. study.

No doubt, some of the problem is attributable to the transition costs to information technology systems. But the fundamental problem is that most organizations have picked the wrong metaphor to implement information technology. They think the technology is a tool; something you can pick up and put down, turn on and off. How effectively it is used is a matter of acquired skill.

But applying information technology — the collection, processing and distribution of data — is more like building a nervous system than using a tool. The information infrastructure often determines what data are gathered, processed, analyzed, distributed and acted upon. While a few companies can grow an effective technological nervous system, the fact is that most companies are lousy at it. The infrastructure that results is overbuilt and poorly designed, the corporate equivalent of plasters and band-aids.

"It doesn't help to endow workers with equipment," Mr. Keen says, "if you don't endow them with trust. In that respect, the Europeans and the Japanese are better positioned for white-collar automation."

If automation can perform some tasks faster and better than people, what happens if that task is stupid and inefficient? Technology lets you implement bad decisions faster; it lets you implement lousy procedures more efficiently.

But even improving the flow of information and the way it is pro-

cessed may not matter much. Do managers really make better decisions as a result of access to high tech information systems? Citicorp may have a tremendous computer capability, chock full of econometric models, but that didn't stop the bank from lending billions of dollars to the wrong countries. The models may have simply reinforced the poor loan judgments.

Computers may transform the process of compiling reports and calculating budgets, but there is no evidence that access to a personal computer improves the quality of an executive's decision-making. The ability to rewrite a report seven times on a computer does not mean you end up with a better report: There is such a thing as diminishing returns.

Given that innovations in information technology are continuing at an astonishing pace, the challenge of how best to use it will likely remain for decades.

"You know standing still is not a winning strategy," says McKinsey & Co. consultant Thomas Steiner, who has analyzed technology investment in the banking industry, "and merely expending resources to become efficient is also not correct."

To succeed, he asserts, companies will not only have to "preemptively invest" in the right technologies, they will also have to "selectively deinvest" — that is, bail out of technology.

For Europe and Asia, what American companies choose to disinvest from may be as revealing as what investments companies actually make. Just last month, Merrill Lynch, America's largest brokerage firm, announced that it no longer wanted to manage its giant internal telecommunications network itself — despite the fact that the firm's network is considered a proprietary strategic asset. That is clearly a sign that managing information technology productively is more difficult than initially thought.

The irony is that champions of information technology say the solution to the problem is — more technology. Connect computers together, and companies will become more productive; or give the computers a healthy dose of artificial intelligence. In essence, technology can



By Paul Kenezis

WASHINGTON — The United States appears to be a nose ahead of Japan and Europe in developing supercomputers. Over two-thirds of the world's high-performance machines are in the United States, and high-speed work stations to access the new breed of computers are quickly arriving in laboratories and universities.

But U.S. scientists and government officials fear that they will not get the full research benefit from the giant computers because data networking has not developed as quickly.

U.S. scientists face "a serious mismatch between today's high-performance processing engines and low-performance computer networks," said Leonard Kleinrock, computer science professor at University of California at Los Angeles. This means researchers whose university or institute does not have a supercomputer have major problems linking into one elsewhere.

Not only are transmission speeds too slow for the massive amount of data involved in supercomputer work, but connections are hard to make and unreliable. Mr. Kleinrock said, "It's extremely unfortunate for the U.S., which spearheaded networking technology 20 years ago," he added.

The National Science Foundation has tackled the problem head-on by creating NSFNET, a 1.5 megabit per second network that links five national supercomputing centers with about 200 universities. However, NSFNET has been quickly swamped by eager users and does not have the budget resources to keep up with demand.

Officials already warn that users may face a deterioration of service even though the network will soon begin to incorporate 45 megabit-per-second connections in its backbone system.

Alan McAdams, a management professor at Cornell University, said that a paradoxical situation is developing. "When users get increased computing power on their desk tops, the immediate result is a demand for more networking capacity, not less." The urge to plug into more powerful supercomputers is natural, like wanting to drive a new sports car fast, and the weak link is the slow networks.

One key problem is that NSFNET, even at 1.5 megabits per second, has problems handling graphic displays generated by supercom-

puters. These images of swirling gases or complex atomic structures have become crucial to researchers as a way to interpret the torrent of data coming from new machines.

Los Alamos National Laboratory in New Mexico, for example, is offering researchers real time video representations of their work on the lab's bank of Cray 1 supercomputers.

But sending video images devours space on data networks, creating an almost insurmountable bottleneck.

Because of these problems, an effort has begun in Washington, led by Senator Albert Gore Jr., Democrat of Tennessee, to create a National Research Network over the next 10 years. The government-owned network would have a 3-gigabit per second transmission capability and provide access between dozens of supercomputers and more than 1,000 universities and research centers.

Using state-of-the-art fiber optic technology, the new network would cost \$400 million to build and \$200 million a year to operate. The plan would require that existing research networks operated by the National Science Foundation, the Department of Energy, the Department of Defense and the National Aeronautics and Space Administration be merged into the super network.

MR. GORE must also overcome the suspicions of the private telecom communications industry since the network would exist parallel to their lower capacity networks. Mr. Gore makes clear that the national research network would be phased out once private networks, which are now just reaching the 1-gigabit stage in test areas, can handle the traffic.

One of the key problems facing the plan occurred in November, when a Cornell student planted a computer virus that briefly penetrated several government installations. Insiders were quick to notice that the student's access to other computers was greatly aided by Cornell's excellent data links to the outside, including its status as one of NSFNET's five supercomputer centers.

Mr. Gore had already put some safeguard language in his bill in light of an earlier incident in which teen-age hackers gained access to the Los Alamos National Laboratory, perhaps the country's most advanced supercomputer center. Aides say this section will be substantially enhanced in light of the new incident.

Data Sys
Revoluti
With Di

By Robin Herman

PARIS — In the communications revolution that has transformed television into video tape and telephones into information highways, the radio stands out as a holdover. Frustrated listeners tend to knot down the dial searching in the jumble for their favorite station, then do the same in and out as they hear the new voice in and out between one transmitter and another. State-of-the-art music is suddenly played by a heavy metal rock band, then do you realize you have the

But a radical change is in the air. Over the year, Europe's major radio stations, the British Broadcasting Corp., have

RDS, an inaudible signal will make tuning precise and automatic.

converting their FM signals to RDS. Radio Data System, or RDS, that will radio hearing impaired and automated touch of a button.

The RDS is an inaudible signal along with the regular FM transmission carries a stream of digital information including the station's identity, equipped with an RDS decoder to find the station a listener wants, but frequency providing the best reception automatically returns frequencies if it happens to be in a moving car. A listener does not need to know the frequency number of the station, just the station.

Moreover, the digital nature of the RDS allows the door to a range of other radios will be smart enough to decide the type of music requested, the size of the station being heard, my program with local traffic to as the receiver travels across the continent to bulletin in its native language whatever country it happens to and provide a digital display of the station.

Micro Channel also is catching on in the European market. Norelco Systems, a French computer manufacturer, introduced a line of Micro Channel-compatible computers in mid-November; the machines are to be distributed in the U.S. market beginning in December. Amico Computers PLC of Birmingham, England, also introduced Micro Channel-compatible machines this fall.

AL SENIA is a business writer based in Los Angeles.

IBM, Consortium Fight Over Hardware Standards

By Al Senia

LOS ANGELES — IBM Corp. and a rival consortium of major computer makers are escalating a technical battle over hardware standards that will in large measure determine the design and makeup of the microcomputer industry in the 1990s.

At the heart of the dispute is the bus architecture, or electronic conduit, that moves data from one part of a personal computer to another. For more than 18 months, IBM has proclaimed that its Micro Channel Architecture, introduced with the company's new PS/2 line of machines in 1987, holds the key to advanced, future computing.

However, IBM's dominance of the personal computer industry is being seriously challenged by a collection of more than 60

hardware and software companies led by Compaq Computer Corp., IBM's chief personal computer rival.

The group, which includes such industry heavyweights as Hewlett-Packard Co., NEC Information Systems Inc., Tandy Corp. and Zenith Electronics Corp., has vowed to introduce next year a computer based on an alternative bus called the Extended Industry Standard Architecture, or EISA.

Both standards will compete for dominance in the market for the most sophisticated microcomputers powered by 386-based silicon chips.

While the bus architecture argument may seem esoteric to computer users, it has important ramifications. It will determine the design and capability of future microcomputers. It could dislodge IBM's grip on the personal computer industry's direction and empower a host of second-tier com-

petitors. It also determines the direction of new product introductions from hundreds of software companies that are waiting to see which standard is headed toward wide acceptance.

Though confused by the standards battle, computer users have a more immediate self-interest in the dispute: The future of the software programs they currently use.

Existing software programs are not compatible with Micro Channel. However, EISA officials claim compatibility will exist with their promised new machine, since it is essentially an extension of, not a replacement for, the internal architecture now existing in millions of IBM AT machines and clones worldwide.

This might appear to give the EISA standard a clear edge. However, Micro Channel has existed for more than 18 months, a fact that some analysts believe will tip the standards' edge to IBM.

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Computers. These images of swinging complex atomic structures have helped researchers as a way to interpret new data coming from new machines.

Los Alamos National Laboratory, Mexico, for example, is offering real time video representations on the lab's bank of Cray 1 supercomputers. But sending video images depends on a bottleneck.

Because of these problems, began in Washington, led by Sen. Gore Jr., Democrat of Tennessee. National Research Network over years. The government-owned network have a 3-gigabit per second transmission capability and provide access between supercomputers and more than 100 research centers.

Using state-of-the-art fiber optics, the new network would cost \$1 billion to build and \$260 million a year. The plan would require that existing networks operated by the National Foundation, the Department of Defense and the National Aeronautics and Space Administration merged into the super network.

M R. GORE must allay the suspicions of those who fear that the new communications network will make clear that the national road map he has just reached the last area can handle the task.

One of the key problems first occurred in November when it was discovered that a computer virus that had been several years ago had been inserted into the software that makes it possible for the entire system to access NSFNET's five separate networks.

Mr. Gore had already put a large amount of his time in light of the problem, which had been hidden since the Los Alamos National Laboratory, the country's most advanced research center, was taken off-line in light of the

Data System Heralds Revolution for Radio With Digital Tuning

By Robin Herman

PARIS — In the communications revolution that has transformed televisions into video boutiques and telephones into information banks, the radio stands out as a lone antique.

Frustrated listeners twiddle knobs up and down the dial searching in the jungle of sound for their favorite station. Drivers hear the news fade in and out as they travel between one transmitter and another. A spate of soothing music is suddenly followed by a heavy metal rock band, and only then do you realize you have the wrong station.

But a radical change in the way listeners use radio is already in the air. Over the past year, Europe's major radio stations, led by the British Broadcasting Corp., have begun

RDS, an inaudible signal, will make tuning precise and automatic.

converting their FM signals to the new Radio Data System, or RDS, that will make radio tuning precise and automatic at the touch of a button.

The RDS system was developed over the course of 10 years by a team of BBC engineers in collaboration with Swedish Telecom and the West German broadcasters' research association. The European Broadcast Union formally endorsed the system in 1984. The signal has been standardized in Europe so that RDS receivers will be able to "understand" the information broadcast by all stations.

RDS will be especially useful to the BBC for use in Britain, where more than 100 transmitting stations are needed to provide the country with BBC network radio services.

The BBC national networks have begun to program fancier features. Tests of the travel service will begin in the spring. The BBC World Service is primarily broadcast on AM frequencies and will not be affected by the RDS technology.

Moreover, the digital nature of the signal opens the door to a range of other uses. RDS radios will be smart enough to scan the dial for the type of music requested, display the name of the station being heard, interrupt the program with local traffic bulletins as the motorist travels across the continent, give the bulletins in his native language no matter what country he happens to be in and provide a digital display of the time.

Mr. Saunders said the BBC was able to convert its transmitters to the system for about £1.2 million, a "rather cheap" investment, he observed, considering it need only be done once and can transform the nature of radio service. The RDS signal is sent out at a frequency of 57 kHz and does not interfere with existing mono and stereo signals.

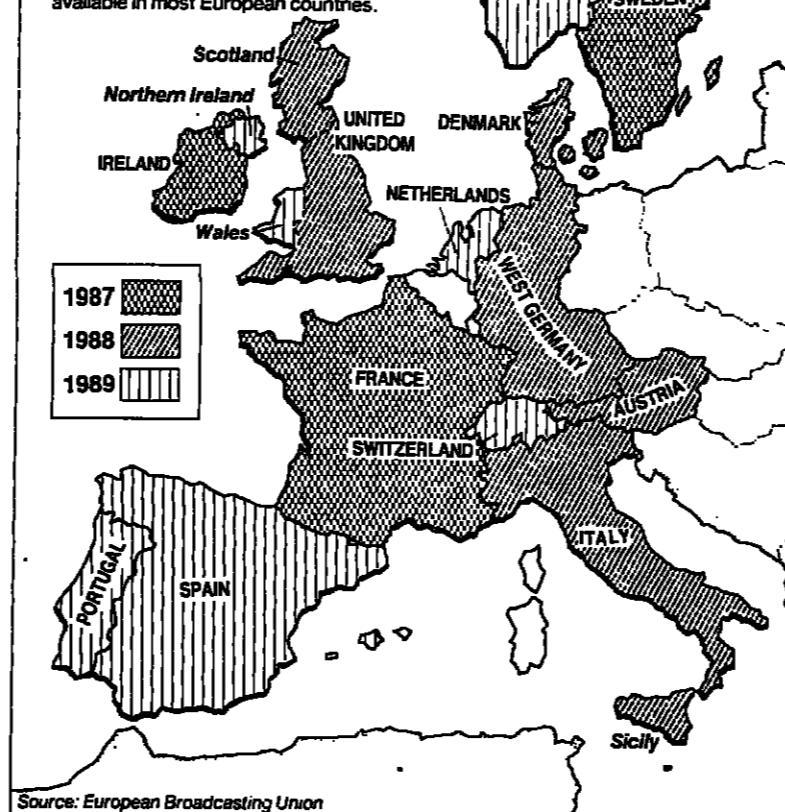
Radio France converted its France Inter

INTERNATIONAL HERALD TRIBUNE, WEDNESDAY, DECEMBER 7, 1988

Technology Telecommunications

The Tuning Revolution

Over the past year, Europe's major radio stations have begun converting their FM signals to the new Radio Data Systems (RDS). By 1989, RDS will be available in most European countries.



Source: European Broadcasting Union

Europe on Leading Edge Of Mobile Phone Changes

By Robert Bailey

LONDON — The mobile telephone, for long considered to be a rich man's toy, has been in use since the mid-1950s, but only in the last few years has it become an everyday item with users. Yet, even five years ago, it would have been hard to believe that mobile telephony could have achieved such acceptance.

But what is seen today is still only the beginning of things to come. New systems, based on digital technology, are being developed that will produce more compact, and increasingly less expensive, equipment for both network operators and subscribers. Instead of being an oddity, the mobile telephone will become a commonplace piece of equipment in taxis, trains and aircraft as well as in the hands of a growing number of individuals.

And the thrust of development is coming not from North America or the Far East but from Europe. A revolution is taking place in European mobile telecommunications that is characterized by a high degree of cross-border cooperation.

Parallel developments are taking place in other aspects of mobile telecommunications, including paging and, in particular, cordless telephones, point to significant changes in the way telephones are used. Within a comparatively short time, many people will be carrying their telephones to work, as a new generation of cordless telephones replaces existing ones that are limited to specific locations because of their limited analog technology.

Because the new specifications employ digital transmission techniques and an advanced coding procedure, the zonephones will each have a unique identity. A subscriber will be able to make calls away from home, though not receive them, via special public base stations.

In Britain, where tens of thousands of these small link points are expected to be installed in railway stations, airports, pubs, etc., users will be able to make calls if they are within 200 yards (182 meters) of one of these base stations. Calls will be logged by computer and charged to the person's account.

At around £150 (\$270) to £200, the cost of the new phone will be much lower than cellular phones and potentially attractive to a wider clientele. First licenses for the new system are expected to be announced within weeks by Britain's Department of Trade and Industry. This will allow services to begin in the first quarter of 1989.

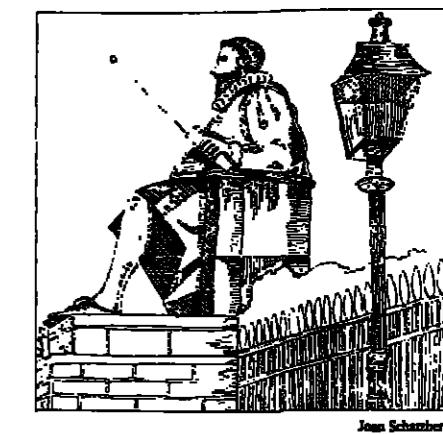
If, as predicted, the new cordless system does take off, there could, according to some estimates, be up to three million subscribers in Britain and seven million in the rest of Europe by the early 1990s. Used in conjunction with a pocket pager that might be integrated with the phone, the new cordless sets could prove to be an extremely cost-effective tool for business and professional users.

Paging is another part of the mobile market that is growing, notably in Britain, which has about 500,000 subscribers served by six network operators. A Euro-page system that is expected to be operational by the end of 1989 will also boost the market and allow a person to be paged anywhere in Europe. It is projected that 5 percent of Western Europe's population

could be using some form of a paging system in the next 12 years.

While the new cordless phones are likely to attract most attention in the mobile arena during the coming months, by far the most significant technical advances are being made in the development of the Pan-European cellular network.

Based on digital technology, the planned network will operate to common standards across the continent, allowing the same mobile phone to be used for national and international calls whether from Paris, London, Milan or Stockholm. The network will also provide European manufacturers with the scale of



Joey Schuckert

production opportunity to enable them to overtake the United States and Japan in implementing the next generation of mobile telephony.

There are big stakes involved. Overall, the market for network infrastructure equipment and for mobile handsets is expected to reach £800 million a year by the time the new service is due to start in 1991. A key feature will be the common design of certain critical parts of the system that will allow the same telephones to be used anywhere in Europe. At present, only Scandinavia enjoys such interoperability.

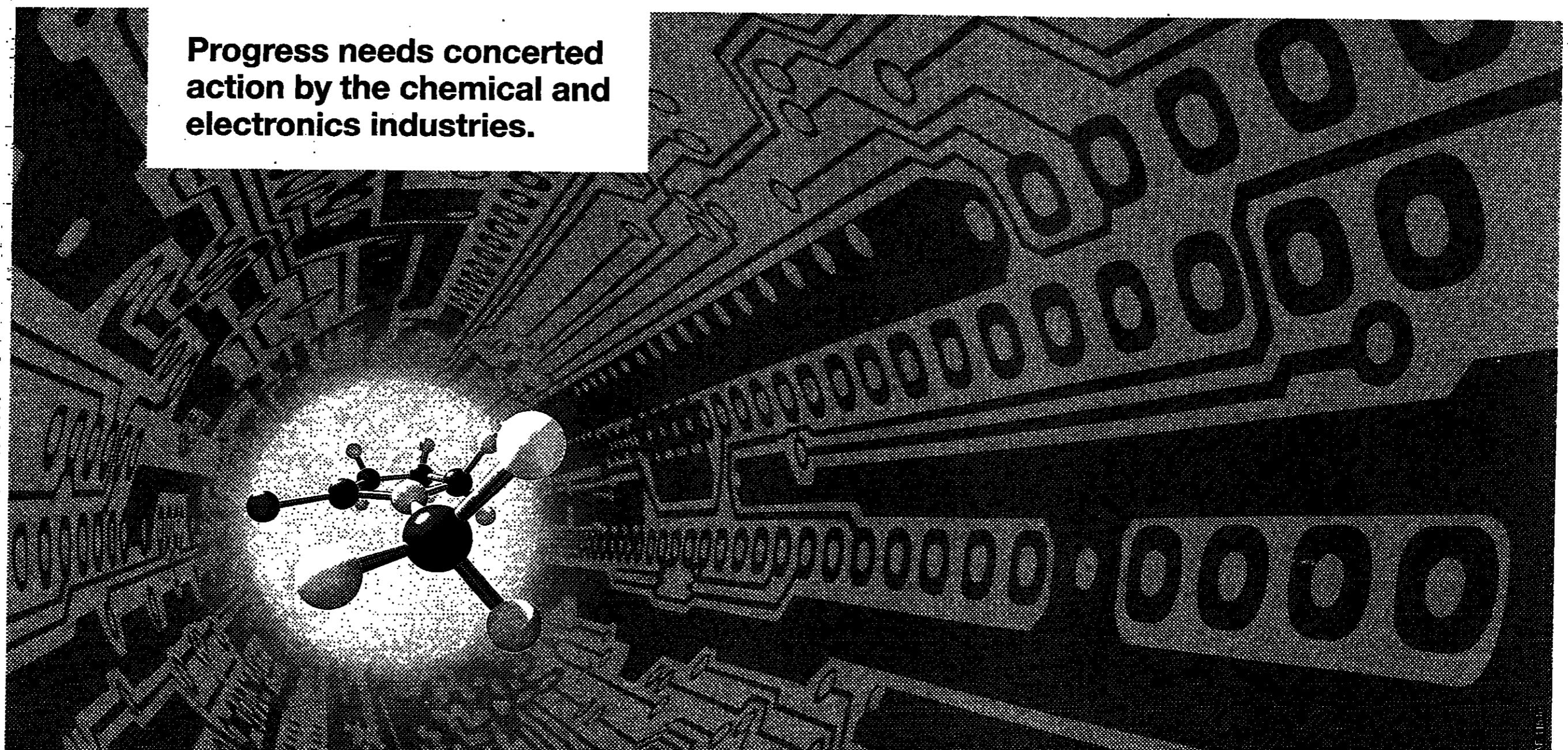
The Nordic Mobile Telephone system, established in 1980-1981, has about 500,000 subscribers in Sweden, Denmark, Norway and Finland, providing a greater mobile phone penetration than in any other region of the world. The Pan-European move is likely to encourage the emergence of a streamlined European industry selling to a much larger market.

If industry forecasts are on target, the promised extra capacity will certainly be needed. There could be 10 million subscribers by 1995 and 20 million by 2000. This assumes a continuation of the growth patterns already recorded in Scandinavia and, more recently, in Britain and France after cellular systems were introduced in those countries in 1985.

Whether the technical jump can be achieved within the very demanding time frame decided on remains to be seen. Much depends on the coordinating authority Group Spéciale Mobile that was established by the Conférence Européenne des Postes et Télécommunications to integrate the proposed system in more than a dozen countries.

ROBERT BAILEY is a London-based journalist specializing in technology.

Progress needs concerted action by the chemical and electronics industries.



Dialogue and cooperation – interdisciplinary efforts which go beyond the conventional frontiers of existing knowledge and technologies are essential requirements for progress. It is often the interlinking of knowledge and ideas from different fields which opens the door to new, multi-disciplinary solutions to problems.

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billion acquires television sets at the rate of 10 million a year. As a measure of the potential in the China market, AsiaSat executive says Canada owns or leases 60 transponders, supply power to 15 million television sets.

Bangkok's recent decision to launch a domestic satellite may hurt AsiaSat's opportunity in Thailand. But when the government asked for bids from potential joint venture partners, AsiaSat responded with a proposal that would guarantee Thailand a percentage of dedicated AsiaSat I transponders. Authorities are considering the proposal.

Of the three countries targeted by AsiaSat, Pakistan has the most primitive television network. But the satellite's geosynchronous beam will enable Pakistan to broadcast to remote, rural communities via a network of small, low-cost dishes. AsiaSat officials point out that certain components of the stations can be manufactured locally, revitalizing the domestic low-technology industry.

When asked about AsiaSat's plans, executives described the preparations for AsiaSat, which will provide satellite power for television in Asia through the year 2000. If successful, AsiaSat may be in a position to challenge America for a piece of the world television telecommunications market.

COLEEN GERAGHTY, a journalist based in Hong Kong, is a regular contributor to the International Herald Tribune.

to biogass. Carbon is deposited in grass when it becomes

● The gas is heated to remove the presence of inert gases and elements before what remains is added to carbon monoxide and other gases.

● The mass is heated using heat and energy from breaking down hydrocarbon gases and hydrogen. Carbon monoxide is produced.

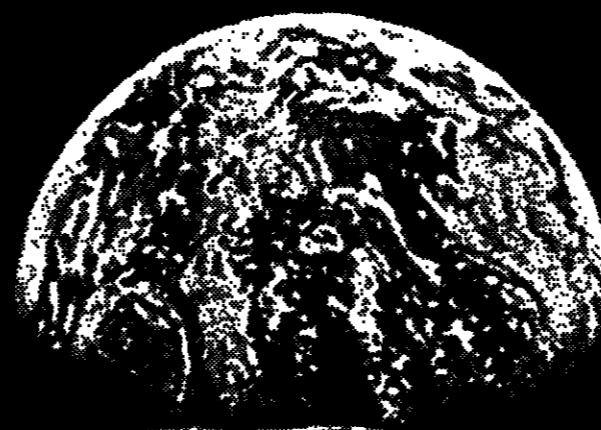
● The carbon is heated necessary and then carbon dioxide and water are converted to carbon monoxide and carbon dioxide.

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Technology Developments

Japanese Scientists Place New Emphasis On Basic Research

By Dana Lewis

TOKYO — At a research facility in the Tsukuba science city, north of Tokyo, Japanese scientists use the 30-billion-volt energy of the world's most powerful electron-positron collider to break atoms apart into their component particles.

The collider, the centerpiece of the government-funded High Energy Physics Research Laboratory, draws scientists from around Japan and the world in search of fundamental knowledge about the nature of matter.

"It's a means of demonstrating Japan's arrival in the field of basic research," said a U.S. official in Tokyo, who declined to be identified. "Very little applied research is going to come out of it. The real questions are, 'Will we discover new particles, and will we get the Nobel prize?'"

Those are questions very different from what the world's scientific community has come to expect from Japan. Despite the vast sums of money that Japan pours into research and development, Japanese science has been criticized for concentrating almost exclusively on applied research that can be plucked right into the assembly line.

The handful of Nobel prizes awarded to Japanese scientists has been seen as proof, not least by the Japanese themselves, that the nation lacks what it takes to be creative in the sciences. And the country has been criticized for hoarding original work and not sharing it with the rest of the world.

There are signs, however, that the old myth is wearing thin. Leading Japanese corporations are putting as much as 10 percent of sales back into research and development, and many are building research labs to concentrate on basic science.

A recent survey by Nomura Research Institute found that 68 of Japan's leading corporations are spending more on research and development than on capital investment. In fiscal 1986, according to an estimate from a U.S. National Science Foundation study, Japanese companies spent \$40.1 billion on research and development, of which 6.1 percent, or \$2.2 billion, was labeled basic research.

The government, too, has issued a rash of reports and white papers calling for a stronger commitment to open-ended fundamental research. More significantly, it has been digging deeper into its pocket for science.

Government research funding is now up to 0.58 percent of the gross national product, a recent survey by the Agency of Industrial Science and Technology shows. Government and private research and development together reached 3.29 percent of the GNP in 1984, the report found, passing the U.S. ratio of 2.89

percent. Real growth in research and development spending has averaged between 8 and 10 percent for the last five years.

The new commitment is showing results. In 1987, Japan was the largest foreign recipient of U.S. patents, obtaining no fewer than 17,283. Three Japanese companies — Canon, Hitachi and Toshiba — took first, second and third place, respectively, in the U.S. corporate patent race. Japanese technology exports to Western countries grew 200 percent between 1976 and 1985 in yen terms, while technology imports, although still far larger in absolute value, rose only 60 percent.

Moreover, Japan is beginning to be recognized as a serious contender in a number of leading-edge technologies. In optoelectronics, semiconductors, low- and high-temperature superconductors, in certain areas of biotechnology, including fermentation processes, surface physics and even X-ray astronomy, the Japanese are strong and growing stronger.

To many Japanese, though, the progress that has been made is far from enough.

"Certainly, there are some areas of basic research where Japanese scientists do excellent work," said Dr. Michio Okamoto, head of the Human Frontier Science Program for basic research in the life sciences that was first proposed by former Prime Minister Yasuhiro Nakasone at the Venice summit meeting in June 1987. "But overall, the quality of Japanese science is not that good," said Dr. Okamoto. "We still have a lot of work ahead of us."

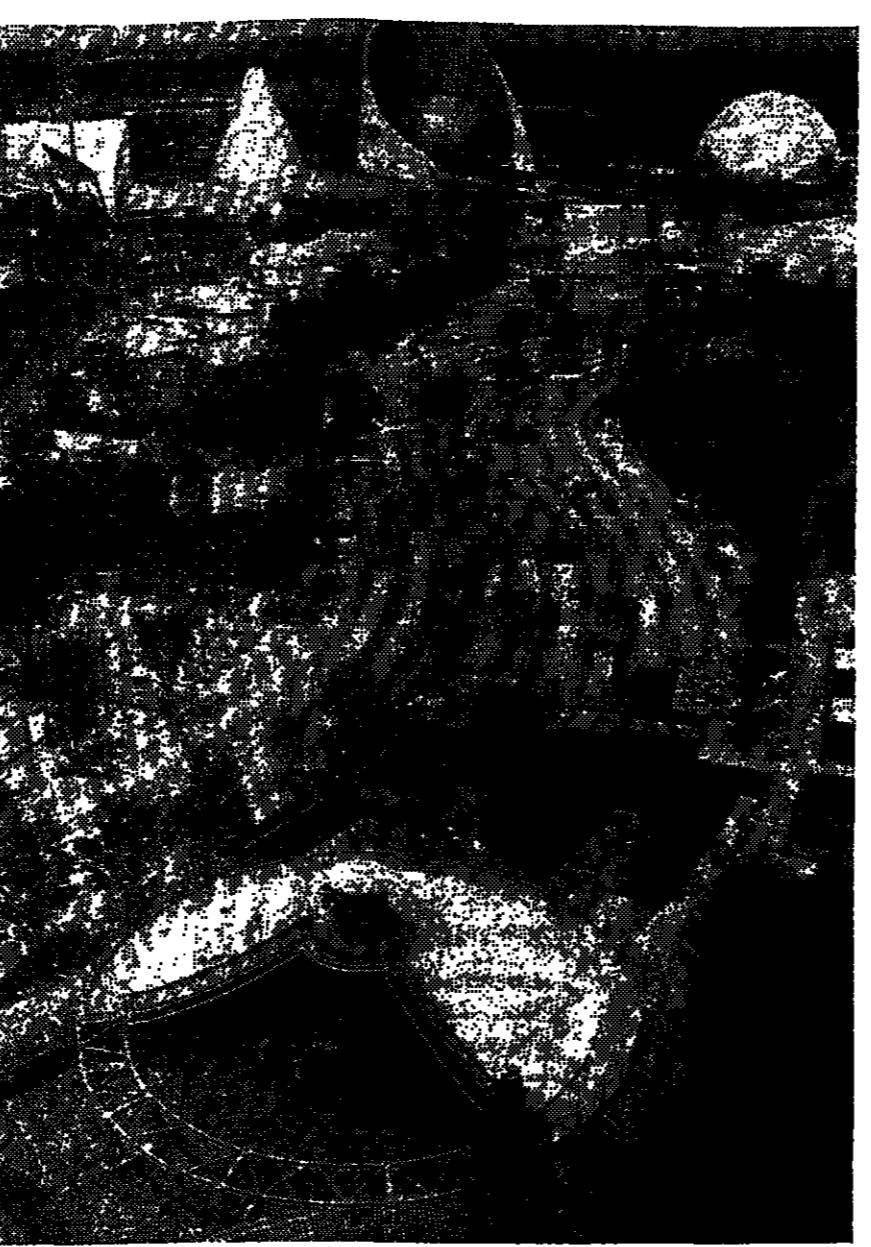
INDEED, STATISTICS tell only half the story. "Most of the areas where the Japanese are strong are closer to extremely high-class applied high technology than they are to the very fundamental part of the spectrum," said a U.S. official, and many Japanese agree. Having 80 percent of research and development come from the private sector frees Japanese scientists from defense research, which accounts for 70 percent of the U.S. government's research and development budget.

But it also means that most companies are using their research money in-house in their own field, said Jiro Kondo, president of the Science Council of Japan.

"Top management is very short-sighted," Mr. Kondo said, "and wants to get profits out of its research expenditures."

The National Science Foundation estimates that 25 percent or less of the corporate research and development spending labeled "basic research" is actually open-ended research unconcerned with economic applications.

Public sector research also has its problems. Rigid university hierarchies with their seniority-based promotion systems help stifle the creativity of young researchers, forcing them to



At Tsukuba science city, researchers are studying the nature of matter.

work for years under the thumb of senior scientists.

When Susumu Tonegawa of the Massachusetts Institute of Technology was awarded the Nobel Prize in Medicine in 1987, there was little rejoicing back home. The frustrated researcher left Japan 20 years ago and said he could never have done his research in his native country.

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ARTS / LEISURE

Derek Jacobi Rules Over 'Richard II'

By Sheridan Morley
International Herald Tribune

LONDON — To the Phoenix Theatre, only recently vacated by Kenneth Branagh's Renaissance Company, now comes another example of actor power: Derek Jacobi with his own company in a knightly double of "Richard II."

THE LONDON STAGE and (after Christmas) "Richard III." The productions are in part financed by the Kennedy Center in Washington, where they will end up next year.

For a definition of blazing Shakespearean stardom, you would do well to start here. Jacobi takes Richard II not so much as the traditional poet king but rather as the actor king, a man forever testing his own theatricality against those around him, hoping almost to the last that yet another great speech might get him out of prison and back to his usurped throne.

Jacobi's command of the verse, his ability to switch from gay despot to defeated husband within a few dozen lines, is immensely impressive and powerful, which is more than can be said for its surroundings.

Denied the economic resources of a subsidized permanent company, Clifford Williams has gone for an uncharacteristically plodding and pedestrian production in which other players are apt to back respectfully upstage whenever Jacobi opens his mouth. Only Robert



Jacobi's command of the verse is immensely impressive.

Eddison as the dying John of Gaunt gives a performance in any way able to challenge Jacobi's.

A slow-starting and at best workmanlike if soulless rendering of the text only comes to life when its star is moving into another of the classic tirades.

Rather more experimental Shakespeare at the Donmar Warehouse in Covent Garden, where Declan Donellan's award-winning

Check by Jowl company give us the fourth "Tempest" of the year. After John Wood (Stratford), Max von Sydow (Old Vic) and Michael Bryant (National), Timothy Walker's punkish Prospero is full of surprises, not least during the opening storm scene which he orchestrates as a director in dark glasses.

Donellan's determination would seem to be never to let us think we know the play, and never to let it drift into mere recital. Every scene

is already into the Barbican Pit from last year by the Avon. John

and every character has been rethought, the King of Naples has even changed sex, and much of the second half now seems to be taking place backstage at some nightmarish Victorian music-hall presided over by Stephano and Trinculo.

Those still expecting an aisle full of noises, or a poetic ringmaster breaking his magical staff, or even a Shakespearean farewell to classical greatness, will be disappointed. Instead we get an ever-lively, revolutionary rethinking of the text that is often inclined to backfire into giddiness, but equally often manages through its own manic energy and invention to give us fresh insights into an over-familiar island.

The idea of setting the play backstage, so that Prospero forever directs his islanders and their invaders in a series of magical charades, might have worked better in the hands of Peter Brook. The Check by Jowl troupe is young and talented but even they seem a little hesitant at some of the improvisations thrust on them. None of the players, not even Cecilia Noble as a beautiful black Miranda, seem to have the confidence to retrieve the verse from the group vocal exercises.

If you know the play well, these variations on its themes may hold the attention since the production is extremely brisk; if not, wait for the Royal Shakespeare Company revival to come into the Barbican from Stratford next summer.

Already into the Barbican Pit from last year by the Avon. John



After their "introduction to beauty," 98 percent of the boys go on to college.

The Boys Choir of Harlem: 'A Clarion Call to Optimism'

By Mike Zwerin
International Herald Tribune

PARIS — The Boys Choir of Harlem, currently touring Europe, has bullet holes in the walls and armed guards in the parking lot of its New York headquarters on 127th Street, between Malcolm X and Adam Clayton Powell avenues. The neighborhood has been called "the drug capital of Harlem."

Somewhat like 72 percent of the children who enter the ninth grade in those parts do not graduate from high school and about 85 percent of all high school students read well below grade level, if at all. The usual depressing news. But there is a statistic to warm the hearts of those who have faith in the healing power of music.

The Royal Shakespeare Company's belief that all shows in its London Pit should last at least three hours once again weakens the impact of a script in desperate need of cutting by at least half an hour, but there are haunting performances from Mark Dignam as the old violinist, Clive Russell as the doctor and Linus Roache as the teenager who alone can still think about some sort of a future.

pianist. The repertoire ranges from Handel and Bach to rock music and spirituals by way of Leonard Bernstein's "Chichester Psalms," Kenny Burrell's "Concerto for Guitar and Boys Choir," Clifford Brown's "Joy of Spring," and "Celebration" by Kool and the Gang.

In a brochure titled "Voices of Hope," a member explains why he always wears a necktie now. "I got fed up with the fact that every time I ran for a bus every little old lady would grab her purse and look at me in fear just because I am black and all black kids in the city are pure snatches and drug users. The experience with the choir has given me self-respect... Now when I approach someone to ask the time or directions, they greet me with 'Can I help you, Sir?'"

The boys have become role models for what black children are capable of with some direction and purpose. In the United States, the audience is mainly black, including many family groups. In dire need of good news about minorities, the media have been supportive. ABC-TV's "Nightline" devoted a half-hour program to them. The *Wall Street Journal* ran a front-page feature. A Boston Globe review said the choir sang "with aplomb, brio and gleaming stage savvy," and the *New York Daily News* found the choir "superbly disciplined."

Todd Barkan books the choir through what he calls a "social network" of black fraternities, sororities and professional organizations who are "committed to educating black children. Each one may have hundreds of thousands of members. It's strange, there are no handbooks or guides listing these organizations. You just start to work with, say, a chapter of the sorority of black schoolteachers and you ask someone if they know anybody down in South Carolina and she might say Mabel's down there and you talk to Mabel and then she knows a woman in Tallahassee. If there were six choir I could book six times as many concerts."

The choir has performed in every Fisher Hall and Carnegie Hall in New York, Orchestra Hall in Chicago, in the White House, for an opening session of the United Nations General Assembly. It recorded a commercial for Levi's. Last year it performed for the Montreal and North Sea jazz festivals, in London's St. Paul's Cathedral, Tokyo's Budokan Hall and the Maxim Gorky Theater in East Berlin. The current tour includes the Auditorium Maurice Ravel in Lyon (Dec. 7), Royal Albert Hall in London (Dec. 20) and the Palais de l'UNESCO in Paris (Dec. 21).

Ozawa Conducts a Bostonian Mahler 9th

By David Stevens
International Herald Tribune

PARIS — The Boston Symphony Orchestra is on its first European tour in more than four years with its music director, Seiji Ozawa; two weeks with 11 concerts in 10 cities, and there are some decidedly unusual aspects to the enterprise.

The musical baggage of a great orchestra on tour generally includes a little something for everybody — something in the tradition of the orchestra, something to show off the skills of the band, nothing that the local concert organizer considers beyond the intellectual stretch of his public.

Tradition, with the Boston Symphony, includes above all its reputation as the most "French" of American orchestras, an intimacy with French repertory and style that extends from Monteux in the 1920s through Koussevitzky and Munch, and is sustained by Ozawa. But on this trip, except for a couple of performances of Tchaikovsky's "Pathétique," the orchestra is voting a straight Viennese ticket — Mozart, Beethoven, Mahler and Weber.

Furthermore, the Mahler in question is the daunting Ninth Symphony, vast in time span (75 minutes or so), musical scope and emotional content. By itself it makes all the demands one can reasonably make on both orchestra and public. At the opening concert in London last week, it was programmed with Weber's Five Pieces for Orchestra, but at five other concerts — including Berlin on Wednesday and twice in Vienna Saturday and Sunday — it is the entire program.

This argues that it is time to retire the notion of a "Mahler revival"; his music has for some time been part of the mainstream repertory and a surefire box-office offering, especially when the orchestra is a major one with real strength in the winds and brass. Still the Ninth — which ranges from the hammer-blown premonitions of death in the first movement, through the satirical, grotesque evocations of the human tragicomedy, to the final movement's elegiac resignation — is unlikely ever to become everyday fare, and including it in the tour repertoire was a daring thing to do in many respects.

Not risky at the box office, though. The concert in Paris was sold out long before-hand, and Sunday the Salle Pleyel was packed to the back wall with Japanese Parisians, American Parisians, and Mahlerians of all stripes.

Both conductor and orchestra were true to themselves. Ozawa conducted with his customary alertness and precision, neither slighting nor theatricalizing the outrage and desolation in the score, but delivering a rounded, coherent statement of a work that stands at the threshold of the century. Ozawa's ballistic comportment on the podium, with elaborate and detailed cueing, was sometimes evocative of the famous shadow-pictures of the composer conducting.

The Bostonians are the least flamboyant of the great American orchestras, with collective and individual virtuosity there when needed, but not insistently. The sustaining of the final bars, Adagissimo and *füsser langsam*, was so beautifully managed that the dead silence in the hall lasted a good three or four seconds before the sustained ovation began. This much restraint will probably stand as a Paris season record.

Those whose acquaintance with the orchestra goes back a way may have noted that the roster of extra players brought along for the Mahler included some former stalwarts — Samuel Mayes among the cellos, Ralph Gomberg among the oboes — while the active roster still holds the names of Dorot Anthony Dwyer (flute), Sherman Walt (bassoon) and Burton Fine (viola).

The tour repertoire includes the Mozart Sinfonia Concertante for oboe, clarinet, bassoon and horn, which gives a quartet of BSO first-deskers — Alfred Genewein, Harold Wright, Sherman Walt and Charles Kavalkas — a chance to step forward. Other concerts include Beethoven's Symphony No. 7 and a single performance (in Frankfurt next Tuesday) of Mahler's "Kindertotenlieder," with Jessie Norman as the soloist.

Remaining concerts are: Dec. 7, Berlin (Mahler); Dec. 8, Hanover (Mozart, Tchaikovsky); Dec. 10-11, Vienna (Mahler); Dec. 13, Frankfurt (Webern, Mahler, Tchaikovsky) and Dec. 14, Munich (Webern, Mozart, Beethoven).

"Children who roam the streets usually do so because they have nothing better to do," says Turnbull. "One of the most rewarding experiences for a child is to be creative. Introduce children to what beauty is at the age of eight and they will look for it the rest of their lives."

One former member describes the choir, which rehearses six days a week, as "a lesson on how to live more than how to sing." Before the first European tour in 1979, Turnbull taught some of the younger boys the proper use of knives, spoons and forks. A tutor and a counselor are present on all tours. The 35 boys between ages 8 to 18 must keep diaries on the road (about 100 concerts a year) and maintain at least a B average in school. They all read music and know enough theory and harmony to understand what a chord is and what part of it they are singing. They are accompanied by a jazz rhythm section and a classical

orchestra.

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WEDNESDAY, DECEMBER 7, 1988

MADISON AVENUE

'Gloom and Doom' Is Out,
'Goose Bumps' Are In

By BRUCE HOROVITZ

Los Angeles Times Service

LOS ANGELES — PepsiCo Inc. is about to give *glasnost* a taste of Madison Avenue razzmatazz. Forget those Pepsi commercials that featured Michael Jackson moonwalking and Michael J. Fox rain dancing. This week, the soft drink giant's New York advertising agency has sent a crew of 23 people to Moscow to film a flashy Pepsi commercial — portions of which will be shot at Red Square.

By jetting halfway around the globe to film this ad, literally, in Mikhail S. Gorbachev's back yard, one of the nation's most closely watched advertisers seems to be sending a signal that could echo throughout much of the ad industry in 1989.

Those anxiety-ridden commercials for companies like American Telephone & Telegraph Co. and Wang Laboratories Inc., which featured brief glimpses of tense, corporate conflicts, may be on the way out. Indeed, advertisements that sometimes looked more like commercial wakes than commercial breaks may be upstaged next year by ads charged with entertainment.

"Enough of the gloom and doom," said Philip B. Dusenberry,

chairman of the New York office of Pepsi's longtime ad agency, BBDO Worldwide. "Sure, advertising will continue to reflect real-life situations in 1989, but it will be real life made exciting."

The story line of the Pepsi commercial is simple: Soviet kids drink Pepsi — and wear blue jeans — just like their American counterparts. Pepsi, after all, has been sold in the Soviet Union since 1974. The commercial, among the first by major American advertisers filmed completely in the Soviet Union, will not be seen until the Grammy Awards air in late February.

Of course, this more upbeat look to advertising will not occur overnight. And some advertisers, like Wang, will continue to present stark slices of corporate life in their ads. "Changing tastes don't happen on a calendar-year basis," pointed out John M. Connors Jr., president of the Boston-based ad agency, Hill, Holliday, Connors, Cosmopoulos, which creates ads for Wang.

MR. GORE must also get the suspensions of the press communications industry. The network would have to join other corporate networks if it were to be merged into the National Research Network, the new network overseen by the National Science Foundation, the Department of Energy, the Defense and Space Administrations and the National Science Foundation.

Using state-of-the-art fiber optics, the new network would cost \$600 million a year to operate.

The plan would require that existing networks be converted by the National

Science Foundation, the Department of Energy, the Defense and Space Administrations and the National Science Foundation.

Because of these problems, as chairman of the Tennessee Dept. of Research and Development, Mr. Gore has proposed a new network that would be owned by the state and its partners.

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A Key Executive in PCs Leaves IBM for Xerox

By John Markoff

New York Times Service

NEW YORK — William C. Lowe, a key executive at International Business Machines Corp., has resigned from the company after serving as a lightning rod for criticism of IBM's personal computer marketing strategy.

Mr. Lowe, 47, left Monday for Xerox Corp., where he has been named head of product planning, development and manufacturing.

Mr. Lowe was the architect of IBM's entry into the personal computer marketplace in 1981 and has served as president of the company's entry systems division since 1985. His departure focuses attention on difficulties facing the computer giant.

In recent years, the IBM personal computer line has been battered by competition from clone machines. The company has struggled in its attempt to differentiate its profitable mainframe computer line from increasingly powerful and inexpensive workstations and personal computers.

Mr. Lowe's resignation had been rumored for six months, but IBM executives on Monday denied that his departure was related to infighting surrounding the company's PS-2 personal computer line, introduced in April 1987.

The new PS-2 computers have a feature known as the Micro Channel, for handling data, that is incompatible with the original IBM Personal Computer and PC-AT products.

Critics have said that the decision to discontinue the PC-AT computer line when the new PS-2 line was introduced was a mistake, giving IBM's competitors a chance to take away market share.

The PS-2 line has been slow in gaining acceptance, although it has been showing strength in recent months, industry analysts said.

This summer the computer maker introduced a new machine that is compatible with its original computer line, and that system has been selling well.

Several industry analysts said

Monday that they did not think Mr. Lowe had been shunted aside, but that his chances for quick advancement had been limited at IBM.

Several months ago, Richard T. Gerstner was appointed IBM vice president and general manager of IBM personal systems, the crucial position in shaping the company's strategy for desktop computers.

"My being here isn't so much a reflection on IBM," Mr. Lowe said from his new offices at Xerox. "I feel I still had runway there, but

this seemed like such a great opportunity."

Mr. Lowe said that he was familiar with Xerox's difficulties in bringing its technology from the laboratory to the marketplace and that he thought the company had excellent technology that would make it competitive in the future.

"There are a lot of great things in the laboratories here that will serve us well in the future," he said.

Industry executives said they did

not think that Mr. Lowe's departure signaled a major shift at IBM. "It's too bad to have Bill Lowe go,"

said William H. Gates 3d, chairman of Microsoft Corp., the software company. But, he added,

"Within IBM, one person changing

doesn't signify a whole strategy shift."

Mr. Lowe's departure followed a shake-up in which R. Andrew Heller, a computer scientist who reported to Mr. Lowe and headed IBM's workstation development effort,

was given a special corporate science assignment recently. He had been IBM's vice president and general manager for advanced engineering systems in the entry systems division.

At Xerox Mr. Lowe succeeds Rayland R. Hicks. Mr. Hicks, 45, will assume responsibility for worldwide marketing operations at Xerox on Feb. 1.

ket at workstation prices, rather than trying to preserve the mainframes' markets.

In the aftermath of Mr. Lowe's departure, IBM restructured its personal systems division into two groups, splitting powerful work stations off from personal computers. Under Mr. Lowe, that division had been informally divided. Mr. Lowe said frequently during 1988 that IBM was spending equally on research and development for personal computers and workstations.

James A. Cannavino, an IBM vice president, was named president of IBM's entry systems division, reporting to Mr. Gerstner. Mr. Cannavino had been president of IBM's data systems division.

The new advanced workstations division will be headed by Nicholas M. Donofrio, who also will report to Mr. Gerstner. Mr. Donofrio was vice president of development at the entry systems division.

At Xerox Mr. Lowe succeeds Rayland R. Hicks. Mr. Hicks, 45, will assume responsibility for worldwide marketing operations at Xerox on Feb. 1.

Mr. Heller has been a contentious figure at IBM because of his goal of bringing the power of the mainframe to the workstation mar-

U.S. Futures

Via The Associated Press

Dec. 6

Open High Low Close Chg.

Season High Low Close Chg.

CURRENCY MARKETS

Dollar Ends Firmer in New York

Reuters

NEW YORK—The dollar ended firmer in New York trading Tuesday, while the British pound again climbed against the Deutsche mark and other currencies.

The dollar gained on technical factors and on speculation that the U.S. discount rate could be increased, dealers said. But the potential for a rise was limited by nervousness in advance of the scheduled Dec. 14 release of the U.S. October trade data, they said.

"It was primarily the short-covering that drove the dollar up," said John Lynn, vice president of Security Pacific International in New York. "Once we broke through 1.7280 against the mark, people were forced to come in," he said.

The dollar closed at 1.7372 DM, up from 1.7259 at the end of trading Monday. It finished at 121.925 yen, compared with 121.565 a day earlier.

"It was primarily the short-covering that drove the dollar up," said John Lynn, vice president of Security Pacific International in New York. "Once we broke through 1.7280 against the mark, people were forced to come in," he said.

The dollar also closed at 1.4568 Swiss francs, up from 1.4450 on Monday, and at 5.9360 French francs, compared with 5.8960 francs a day earlier.

The high-yielding British pound continued to rise against the mark but it slipped against the dollar. It closed at \$1.8605 from \$1.8685 on Monday.

In Europe, the pound finished at 2.2310 DM—it's highest level since mid-August and up from 2.2246 on Monday.

London Dollar Rates	Tue	Mon
Closure	1.2710	1.2745
Dollars/mkt	1.2710	1.2745
Pound/sterling	1.2745	1.2745
Japanese yen	121.40	121.50
Swiss franc	1.4510	1.4467
French franc	5.9360	5.8960
Source: Reuters		

Monday failed to temper the pound's rise against the mark.

"I don't think Bank of England intervention will put pressure on the pound," the dealer said. "We are talking about 3.25 marks partly reflecting interest for quick capital gains."

Earlier in London, the dollar closed at 1.7310 DM, up from 1.7245 at the end of trading Monday. It finished at 121.50 a day earlier.

The dollar also closed at 1.4510 Swiss francs, compared with 1.4447 francs on Monday, and at 5.9125 French francs, compared with 5.8900 francs a day earlier.

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Caution about Bank of England intervention after it sold sterling

Experts Say China Should Raise Rates

Reuters

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GATT: At Meeting, Call for Action on Protectionism

(Continued from page 1)

they have recently assumed at other international meetings, the Japanese have been virtually invisible in Montreal.

Calling on industrial and developing countries to "forge reliance on protectionist props," Mr. Candessus said the healthy outlook for trade and the world economy provided a "golden opportunity" to remove commercial barriers.

To underline the point, Mr. Candessus released revised IMF estimates putting the growth rate in the seven leading industrial countries at an unusually strong 4.25 percent this year. That was up from 4 percent the fund predicted only two months ago and the highest rate since 1970.

Inflation in the seven countries—the United States, Japan, West Germany, France, Britain, Italy and Canada—remained steady at an annual rate of 3.2 percent, Mr. Candessus said.

While Mr. Candessus warned of "ominous strains" in the trading

system as a result of growing distortions and nontariff barriers, Mr. Conable said world trade was in a state of "evolving crisis."

What is at stake, Mr. Conable said, "is nothing less than the open, multilaterally agreed trade environment" promised by the founders of the postwar international economic institutions.

Failure of the Uruguay Round of GATT trade talks "could threaten the sustained and efficient growth of both poor and rich nations," Mr. Conable said.

The aim of the meeting in Montreal is to give new political impetus to the Uruguay Round, which started two years ago and has now reached its midway point.

Mr. Conable said that reduced tariffs had been replaced by a growing range of other devices that distort trade, such as subsidies, particularly in agriculture, nontariff barriers, "voluntary" export restraints and anti-dumping measures.

In a growing turn to bilateralism, trade preferences were increasingly

being granted only to neighbors in Western Europe, North America and between Australia and New Zealand, Mr. Conable said.

"Bilateral and other preferential deals over specific products with specific countries," he said, "are fast becoming the norm, if not the rule. The result is a growing and massive discrimination against other countries' products."

Although the effects of such complex barriers were difficult to measure, Mr. Conable said, it had been estimated that restrictions by industrial countries were costing developing countries about 3 percent of their gross national product.

A similar analysis was given by Mr. Candessus, who said there was much scope for liberalization of

China was not as effective as in the West but was necessary to boost personal savings.

A Western banker said China would have no alternative but to raise interest rates on company loans, which were left unchanged in September, in order to bring more money into banks and also provide the funding for an increase in rates on shorter term personal savings.

He said that "Nontariff barriers have multiplied; distortions to agricultural trade have grown; space-industrial policies in the major countries can work to distort markets and impede structural adjustment."

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SPORTS

No Pity for Thugs, No Quarter to Rogues*International Herald Tribune*

LONDON — So, Heydel Stadium is to be bulldozed and replaced. None too soon. What decent man, woman or child wants to cheer in a mausoleum? Could anyone enter that detrepit Brussels arena without being unnerved by

ROB HUGHES

the memory of 39 Italians crushed to death when a wall collapsed during a hooligan charge in 1982?

The timing of Heydel's forecast is curious. It comes during the infernal trial of 26 Liverpool supporters accused of the killings.

Belgium can erase the stadium, but not the fact that culpability is shared by hooligans looking for a fight and by administrators who allowed the European Cup final in a death trap.

Hoolighter charges go on and on. But the weight of evidence is now compromised. Surely this wretched trial, this search for scapegoats, this buck passing of responsibility, is built on accusations no more reliable than the crumbling bricks of Heydel?

Without doubt some of Liverpool's accused intended assault. Their stampede led to the deaths but, unless they knew more than experts paid and elected to super-vise the stadium, they could not have foreseen that a wall, unsafe and inadequately checked, would crush people to death.

Without pitying thugs, I suggest the trial is a travesty. The Liverpool culprits have not escaped punishment. They and their families are ruined; for as long as they exist they are burdened with the consequences of their stupidity.

With or without the show trial, European soccer carries on. English club participation in it does

not. Violence, even premeditated murder, is increasing.

This week there are eight UEFA Cup matches. Two — VfB Stuttgart vs. FC Groningen, and AS Roma vs. Dynamo Dresden — have portents of spectator violence.

Groningen fanatics have already demonstrated it. During their first meeting in Holland two weeks ago, they bombarded players with missiles and lit a fire behind the English.

He thinks it is time Liverpool

force ID cards; soccer retorts that three arrests per match — among 400,000 citizens who pour through turnstiles each weekend — vindicates the decent majority.

However, how long will it be before we need ID outside the stadiums? Or, after that, perhaps, branding irons?

I'm being only half facetious. Before and after Derby County vs. Arsenal, in the English midlands, and then another game, Millwall vs. West Ham, I felt intimidated by the price for holding a sporting contest.

For these matches, on the last two Saturdays, streets around both venues constituted a police precinct, as close to occupation as I have known in my country. There were "no go" areas for everyone; there were mounted police, motor patrols, helicopters, dogs, and wave after wave of uniformed constables.

Millwall was worse. This is a club that has attempted more reform, more community and police cooperation than any. It needed to because its former fascist-recruited hoodlums were vile.

For the visit of its dockland neighbor West Ham, police were on Grade A alert. The operation involved 400 officers. "Only" 24 arrests were made; only £5,000 (39,300) in damage was caused to a nearby pub; only five policemen were hurt.

The police used the day's 20,000 soccer spectators to launch a pre-Christmas campaign against drunken driving. The cops gave everyone a plastic keyring exhorting "Drinking and Driving Wrecks Lives."

Harmless things, keyrings? Alas,

so. At the end of play, angered because Millwall lost its unbeaten home record, some youths hurled their gifts at opposing players.

A West Ham defender was struck in the face. The police good will was turned to a potentially blinding weapon.

Hooliganism isn't beaten anywhere. But removing the ban on English clubs remains unthinkable. Atrocious cost to public liberty and economy, England is containing it; other countries should not have to foot that bill.

It would be like handing a lighted cigarette to someone suffering lung cancer.

Rogues attract rogues.

Last season, despite the deployment of 10,000 policemen on match days, so-called Italian soccer followers wounded 510 victims, half

Government says 6,000 arrests last season prove the need to en-

force and company were back. I disagree.

The moment the ban was imposed it seemed irreversible. Merely proving others are as bad or worse is no reason to conclude that English clubs, which more than any others export violence, can control things who masquerade as supporters.

England as a nation is still grappling with the problem. The prime minister is determined to impose identity cards on all supporters despite the warning of clubs who claim this will stifle their attendance, despite the slur on lawful supporters.

The last two weeks remind me that ID cards inside stadiums are immaterial. Since Heydel, massive policing, segregation and surveillance cameras have curtailed stadium hooliganism.

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OBSERVER

No Time for Trouser

By Russell Baker

NEW YORK — Needing pants, I go to Google's. The pants department is idle. Five or six people browsing, but no salesperson busting up to ask, "Can I help you?" In fact, there don't seem to be any salespersons working.

It intensifies the sadness that always overtakes me when buying pants. It is silly having to make a special trip to the store for something as dull as men's pants. Men's pants are always gray. You'd think you could put in a standing mail order with a pants company.

It would automatically send you a new pair of gray pants at scientifically determined intervals, the way heating oil companies automatically replenish the tank and mail order grapefruit people automatically send you a fresh crate just before you run out of the last crate.

But no, you have to make a personal appearance in a pants department. It's always upstairs, so you have to run a gauntlet of the first-floor salespersons.

First-floor salespersons are different from their upstairs colleagues. They are spiffy dressers. Their duties include looking over incoming customers for flaws, then reporting the entry of a customer wearing a homemade haircut and a shirt with gravy.

I have just passed through them down on Google's first floor. That's probably why no salesperson here in the pants department bustles up to ask, "Can I help you?"

After alarms sounded from the first floor, I have been declared unworthy of help. Google's board of directors has met in emergency session and decided Google's would be disgraced if its pants were recognized on the likes of me.

This is not paranoia. It is bitter, childish sarcasm produced by the absence of salespersons. The obvious truth is that Google's is unable to hire any pants salespersons.

Maybe nomenclature accounts for it. When they were called "pants salesmen," there were always more than enough at Google's. It's since they became "pants salespersons" that they started disappearing.

And no wonder. Imagine knowing that if you enter this line of work, some day a little child is

going to look up at you with worried eyes and say, "What do you do for a living, Dad?"

You'll have to say, "I'm a pants salesperson," won't you? Not like the old days when you could announce, "Your dad is a pants salesman, kid, and if you work hard and develop an artist's eye for distinctions in the various shades of gray, maybe day too —"

My mind is idling foolishly like this because, though I've been standing here looking disgruntled for 10 minutes, no pants salesperson has yet asked, "Can I help you?" Five other men are browsing through stacks of pants.

It's outrageous. If I wanted to browse I would be in a bookshop. Imagine having to brows for pants. I am overwhelmed by the bleak suspicion that civilization is breaking down. To a man browsing not five feet away, I say, "It must have been like this in Rome just before the fall."

The man eyes me suspiciously and moves to put a safe distance between us. I have had this reaction in other shopping situations recently after trying to make a genial witicism to some struggling fellow shopper.

At a distant counter a man, possibly a salesperson, has been talking on the phone for 20 minutes. I approach him stand mute, staring, sensing he is a salesperson, trying to communicate my desire for pants, my willingness even to pay money for pants.

He turns and presents me his back, keeps talking voice very low, inaudible to me. Can he be selling pants on the telephone?

Rebuffed, angry, I go searching for pants I can sell to myself, pick one (all gray), take them to a cubicle, try on each pair, ostentatiously parading around in front of mirrors, praying the store detective will accost me, so I can be taken to the manager of Google's and tell him about his miserable pants department.

No dice. I am reduced to finding the fitter myself. Looking for sympathy, I explain that lacking help, I had to choose these pants myself.

"And you made a good choice," says he, making his little chalk marks. I am waiting for Google's to let me pay. I am here, Mr. Google. In pants. Bearing money.

New York Times Service

TODAY'S BUSINESS MESSAGE CENTER

Appears on page 6

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